

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis*, to this cover.

**ACTION REQUIRED BY ACCÉNTUATE SHAREHOLDERS**

If you are in any doubt as to the action you should take, please consult your Broker, CSDP, Attorney, Accountant, Banker or other Professional Advisor immediately.

If you have disposed of all your Shares, please forward this Circular, together with the attached form of proxy, to the purchaser to whom, or the CSDP or Broker or agent through whom, the disposal was effected.

Shareholders who hold Dematerialised Shares through a CSDP or Broker who wish to attend the General Meeting must request their CSDP or Broker to provide them with a letter of representation to attend the General Meeting or must instruct their CSDP or Broker to vote on their behalf in terms of their respective agreements with their CSDP or Broker.

Shareholders should note that, whilst the entire Circular is important and should be read in its entirety, particular attention should be paid to the section entitled "Action required by Shareholders" commencing on page 3 of this Circular.

**Accénuate does not accept any responsibility and will not be held liable for any failure on the part of the CSDP or Broker of any holder of Dematerialised Shares to notify such Shareholder of the action required by them in respect of the Share Repurchase, Subordinated Convertible Loans and General Authority as set out in this Circular.**



**ACCÉNTUATE LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 2004/029691/06)

JSE Share code: ACE ISIN: ZAE000115986

("Accénuate" or "the Company")

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**CIRCULAR TO ACCÉNTUATE SHAREHOLDERS**

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regarding:

- the proposed Specific Repurchase and Disposal by Accénuate of 5 317 431 Accénuate Shares from Bianca Shakinovsky in terms of section 48 of the Companies Act and the Listings Requirements of the JSE;
- a specific authority to repurchase shares;
- the proposed transaction relating to the Subordinated Convertible Loan Agreements and the possible conversion of loans to unlisted securities in Accénuate; and
- the placing of all of the authorised but unissued Accénuate Ordinary Shares under the control of the Directors to recapitalise the Company

and incorporating:

- a notice of General Meeting; and
  - a form of proxy, only for use by Certificated Shareholders and Dematerialised Shareholders with "Own name" Registration.
- 

**Attorneys**



**FULLARD · MAYER · MORRISON**  
ATTORNEYS

**Designated Advisor**



**Independent Expert**



**Reporting Accountant**



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Date of issue: 25 October 2019

This Circular is available in English only. Copies of this Circular may be obtained during normal business hours from the registered office of Accénuate and the offices of Bridge Capital at their respective addresses set out in the corporate information and advisors section of this Circular from Friday, 25 October 2019 to Friday, 22 November 2019 (*both days inclusive*). This Circular will also be available on the Company's website, [www.accentuateltd.co.za](http://www.accentuateltd.co.za) from Friday, 25 October 2019.

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# CORPORATE INFORMATION AND ADVISORS

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The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis* to this corporate information and advisors' section.

## REGISTERED OFFICE AND POSTAL ADDRESS

32 Steele Street  
Steeledale  
2197

(PO Box 1754, Alberton, 1450)

## DESIGNATED ADVISOR

Bridge Capital Advisors Proprietary Limited  
(Registration number: 1998/016302/07)  
50 Smits Street  
Dunkeld  
2196

(PO Box 651010, Benmore, 2010)

## INDEPENDENT EXPERT

Neema Capital Proprietary Limited  
(Registration number: 2014/119077/07)  
8 Buckingham Avenue  
Craighall Park  
2196

(PO Box 2602, Parklands, 2121)

## ATTORNEYS

Fullard Mayer Morrison Inc.  
(Registration number: 1999/026700/21)  
4 Morris Street West  
Woodmead  
Sandton  
2191

(PO Box 4475, Rivonia, 2128)

## COMPANY SECRETARY

Juba Statutory Services Proprietary Limited  
(Registration number: 2010/006409/07)  
Block C Office 101b, Elarduspark Shopping Centre  
837 Barnard Street  
Elarduspark  
0181

(PO Box 4896, Rietvalleirand, 0174)

## DATE AND PLACE OF INCORPORATION

13 October 2004, South Africa

## TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited  
(Registration number: 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
2196

(PO Box 61051, Marshalltown, 2107)

## REPORTING ACCOUNTANT

Moore Johannesburg Inc.  
(Registration number: 2012/176117/21)  
50 Oxford Road  
Parktown  
2193

(PO Box 3094, Houghton, 2041)

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# ACTION REQUIRED BY ACCÉNTUATE SHAREHOLDERS

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The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis* to this “Action required by Accéntuate Shareholders” section.

**Please take careful note of the following provisions regarding the action required by Accéntuate Shareholders:**

If you are in any doubt as to the action you should take, please consult your Broker, CSDP, Attorney, Accountant, Banker or other Professional Advisor immediately.

This Circular contains information relating to the Specific Repurchase, the Disposal and the Subordinated Convertible Loan Agreements. You should carefully read through the Circular and decide how you wish to vote on the resolutions to be proposed at the General Meeting.

The General Meeting convened in terms of this Circular will be held at 10:00 on Friday, 22 November 2019 at Accéntuate Business Park, 404 Southern Klipriviersberg Road, Steeledale, Johannesburg.

## **IF YOU HAVE DEMATERIALISED YOUR ACCÉNTUATE SHARES WITHOUT “OWN-NAME” REGISTRATION:**

### **1. VOTING AT THE GENERAL MEETING**

- 1.1 Your CSDP/Broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP/Broker to ascertain how you wish to cast your vote at the General Meeting and thereafter to cast your vote in accordance with your instructions.
- 1.2 If you have not been contacted, it would be advisable for you to contact your CSDP/Broker and furnish it with your voting instructions.
- 1.3 If your CSDP/Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP/Broker.
- 1.4 You must NOT complete the attached form of proxy.

### **2. ATTENDANCE AND REPRESENTATION AT THE GENERAL MEETING**

- 2.1 In accordance with the agreement between you and your CSDP/Broker, you must advise your CSDP/Broker if you wish to attend the General Meeting in person or if you wish to send a proxy to represent you at the General Meeting and your CSDP/Broker will issue the necessary letter of representation for you or your proxy to attend the General Meeting.

## **IF YOU HAVE NOT DEMATERIALISED YOUR ACCÉNTUATE SHARES OR YOU HAVE DEMATERIALISED YOUR ACCÉNTUATE SHARES WITH “OWN-NAME” REGISTRATION:**

### **3. VOTING, ATTENDANCE AND REPRESENTATION AT THE GENERAL MEETING**

- 3.1 You may attend and vote at the General Meeting in person.
- 3.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy in accordance with the instructions it contains and returning it to the registered office of the Company or the Transfer Secretaries to be received by no later than 10:00 on Wednesday, 20 November 2019. Nevertheless, forms of proxy may be lodged at any time prior to the commencement of voting on the resolutions at the General Meeting.

**If you have disposed of all of your shares in Accéntuate, then this Circular, together with the attached notice of General Meeting and form of proxy should be forwarded to the purchaser to whom, or the Broker, Agent, CSDP or Banker through whom, you disposed of your shares.**

## SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis*, to this section and throughout this Circular.

	2019
Record date to determine which Shareholders are eligible to receive the Circular:	Friday, 11 October
Announcement providing full details of the Transactions, giving salient dates and times and advising of the posting of this Circular and giving notice of the date and place of the General Meeting released on SENS on:	Friday, 25 October
Last day to trade Accéntuate Shares in order to be eligible to vote at the General Meeting:	Tuesday, 12 November
General Meeting Record Date for Shareholders to be recorded in the Register in order to be eligible to attend, participate in and vote at the General Meeting:	Friday, 15 November
Last day to lodge forms of proxy in respect of the General Meeting by 10:00 <sup>4</sup> on:	Wednesday, 20 November
General Meeting of Accéntuate Shareholders to be held at 10:00 on:	Friday, 22 November
Results of the General Meeting released on SENS on:	Friday, 22 November
Last day for Accéntuate minority Shareholders who voted against the Specific Repurchase to require Accéntuate to seek court approval for the Specific Repurchase in terms of section 115(3)(a) of the Companies Act, on:	Friday, 6 December
Last day to send notice of adoption of special resolutions to dissenting Shareholders in accordance of section 164 of the Companies Act on:	Friday, 6 December
Last day for Accéntuate minority Shareholders who voted against the Specific Repurchase to apply to court for leave to apply for a review of the Specific Repurchase in terms of section 115(3)(b) of the Companies Act on:	Friday, 6 December
If no Shareholder exercise their rights in terms of sections 115(3)(a) and (b) of the Companies Act, then the following are the anticipated relevant dates and times:	
Finalisation announcement (when repurchase becomes unconditional) expected to be released on SENS on or about:	Monday, 9 December
Cancellation and delisting of shares on or about:	Tuesday, 10 December

### Notes:

1. The above dates and times are subject to change. Any such change will be released on SENS.
2. All times given in this Circular are South African standard times.
3. Accéntuate Shareholders are referred to page 3 of this Circular for information on the action required to be taken by them.
4. Any form of proxy not delivered to the Transfer Secretaries by Wednesday, 20 November 2019 may be handed to the Chairman of the General Meeting immediately before the appointed proxy exercises any of the Shareholder's votes at the General Meeting.
5. If the General Meeting is adjourned or postponed, forms of proxy submitted in respect of the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
6. Copies of this Circular may be obtained during normal business hours from the registered office of Accéntuate and the offices of Bridge Capital at their respective addresses set out in the corporate information and advisors section of this Circular Friday, 25 October 2019 to Friday, 22 November 2019 (*both days inclusive*).

## DEFINITIONS AND INTERPRETATIONS

In this Circular, the annexures hereto, the notice of General Meeting and form of proxy, unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and vice versa, and the words in the first column have the meaning stated opposite them in the second column.

“Accénuate or “the Company”	Accénuate Limited (Registration number 2004/029691/06), a public company duly registered and incorporated in accordance with the laws of South Africa and listed on the JSE;
“Accénuate Management Services (Pty) Ltd”	Accénuate Management Services Proprietary Limited (Registration number: 2003/005962/07), a wholly owned subsidiary of Accénuate, a portion of its term loan will be settled as part of the Pentafloor transaction;
“Accénuate Ordinary Share” or “Ordinary Share”	Ordinary share with a par value of 0.001 cents per share in the authorised and issued share capital of Accénuate;
“Accénuate Shareholders” or “Shareholders”	holders of Accénuate Shares;
“Addendum to the Subordinated Convertible Loan Agreements”	the addendum to the subordinated convertible loan agreements between Accénuate Limited and Pruta Securities (Jersey) Limited and Accénuate and Jacana Assets Limited;
“Agreement”	the Sale of Shares, Claims and Cancellation Agreement entered between Accénuate and Bianca Shakinovsky and Larry Shakinovsky on Tuesday, 19 February 2019 which governs, <i>inter alia</i> , the terms of the Specific Repurchase;
“Act” or “Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Board” or “Directors”	the Board of Directors of Accénuate at the Last Practicable Date;
“Broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE and in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“cents”	South African cents;
“Certificated Shareholders”	Accénuate Shareholders who hold Certificated Shares;
“Certificated Shares”	Accénuate Shares which have not been Dematerialised, title to which is represented by a share certificate or other Documents of Title;
“CIPC”	the Companies and Intellectual Property Commission established pursuant to section 185 of the Companies Act;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended and including the Companies Regulations, 2011;
“Circular”	this circular, dated Friday, 25 October 2019, incorporating, annexures, the notice of General Meeting and a form of proxy and distributed to Accénuate Shareholders;
“Computershare Investor Services” or “Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a limited liability private company incorporated in accordance with the laws of South Africa;
“Convertible Subordinated Loans”	Accénuate has entered into subordinated convertible loan agreements with the Lenders in terms of which, the Lenders have advanced the loans to the Company, and subject to approval of the Shareholders in General Meeting, the Lenders will collectively, have an option to convert such loans into a maximum of 16 666 667 Ordinary Shares in their sole discretion prior to repayment of the loans, at the lower of R0.30 (thirty cents) per Accénuate Ordinary Share; and the price per Accénuate Ordinary Share as contemplated in a Corporate Event (if any) less a 15% (fifteen <i>per centum</i> ) discount thereon;

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## DEFINITIONS AND INTERPRETATIONS

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continued

“Corporate Event”	an event or transaction involving any of the following – <ul style="list-style-type: none"><li>• a rights issue by Accénuate;</li><li>• a scheme of arrangement in respect of Accénuate, as contemplated in section 114 of the Act;</li><li>• an amalgamation or merger of Accénuate, as contemplated in section 115 of the Act;</li><li>• a proposal by Accénuate to dispose of all or the greater part of the assets or undertaking of Accénuate;</li><li>• a proposal or action to de-list the Accénuate Shares from the JSE;</li><li>• a mandatory or compulsory offer to Accénuate Shareholders as contemplated in section 123 or 124 of the Act;</li></ul>
“CSDP”	a central securities depository participant, registered in terms of the Financial Markets Act, with whom a beneficial holder of Accénuate Shares holds a dematerialised share account;
“Custody Agreement”	the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker governing their relationship in respect of Dematerialised Shares held by the CSDP or Broker;
“Dematerialise”	the process whereby share certificates or other physical Documents of Title are replaced with electronic records evidencing ownership of shares for the purposes of Strate;
“Dematerialised Shareholders”	Accénuate Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Accénuate Shares which have been Dematerialised and incorporated into the Strate system;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable Documents of Title in respect of shares;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012;
“Floorworx”	FloorworX Africa Proprietary Limited (Registration number: 2004/009876/07), a wholly owned subsidiary of Accénuate;
“General Meeting”	the General Meeting of Accénuate Shareholders to be held at 10:00 on Friday, 22 November 2019 at Accénuate Business Park, 404 Southern Klipriviersberg Road, Steeledale, Johannesburg which meeting is convened in terms of the notice of General Meeting attached to this Circular;
“General Meeting Record Date”	in terms of section 59(1)(b) of the Companies Act, the date determined by the Directors as being the date by which a Shareholder is required to be recorded as such in the Register in order to be eligible to attend, participate in and to vote at the General Meeting, being Friday, 15 November 2019;
“Group”	Accénuate and its subsidiaries;
“Jacana”	Jacana Assets Limited, a company with limited liability duly incorporated in accordance with the laws of St Helier, Jersey having registration number: 243598, with material beneficial shareholders being JTC Nominees Limited and JTC Services Limited;
“JSE”	JSE Limited (Registration number: 2005/022939/06), a public company with limited liability incorporated in under the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	Thursday, 10 October 2019, being the last practicable date prior to the finalisation of this Circular;
“Lenders”	Frederick Cornelius Platt (Chief Executive Officer), Pruta, Jacana and TBI, all of which are material/beneficial Shareholders (collectively “the Lenders”);

## DEFINITIONS AND INTERPRETATIONS

continued

“Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;
“MOI”	the Memorandum of Incorporation of Accénuate;
“NAV”	net asset value;
“Pentafloor”	Pentafloor Proprietary Limited (Registration number: 2015/052694/07);
“Pruta”	Pruta Securities (Jersey) Limited, a company with limited liability duly incorporated in accordance with the laws of St Helier, Jersey, having registration number: 8465, and is wholly beneficially owned by Standard Bank Offshore Trust Company Jersey Limited as trustee of the Life Trust, a Jersey law discretionary trust established on 1 October 1991;
“Purchasers”	Bianca Shakinovsky and Larry Shakinovsky;
“Purchase Consideration”	the amount payable by the Purchasers to the Seller;
“Rand” or “R”	South African Rand;
“Regulations” or “Companies Regulations”	the Companies Regulations, 2011;
“Safic”	Safic Proprietary Limited (Registration number: 1981/010263/07), a wholly owned subsidiary of Accénuate;
“Salient dates”	Shareholders are referred to the salient dates and times on page 4 of this Circular;
“Seller”	Accénuate Limited (Registration number: 2004/029691/06);
“SENS”	the Stock Exchange News Service of the JSE;
“Solvency and Liquidity Test”	the solvency and liquidity test, as set out in section 4(1) of the Companies Act;
“South Africa”	the Republic of South Africa;
“Specific Repurchase Shares”	5 317 431 Accénuate Shares held by Bianca Shakinovsky;
“Specific Repurchase and Disposal”	the proposed specific repurchase and disposal by Accénuate of 5 317 431 Accénuate Shares from the Purchasers as part payment by the Purchasers in terms of the Agreement at the original “sale” value used to discharge the original purchase consideration for the Pentafloor business by Accénuate;
“Strate”	Strate Proprietary Limited (Registration number: 1998/022242/07), a private company with limited liability duly incorporated under the laws of South Africa and which is a registered central securities depository responsible for the electronic custody and settlement system used by the JSE;
“Subordinated Convertible Loan Agreements”	the subordinated convertible loan agreements entered into between Accénuate Limited and the Lenders;
“Sub-register”	the record of Dematerialised Shares administered and maintained by a CSDP and which forms part of the Company’s register of members as defined in the Companies Act;
“Subsidiary”	a subsidiary as defined in the Companies Act;
“TBI”	TBI Strategic Partners (Pty) Ltd, a company with limited liability duly incorporated in accordance with the laws of South Africa, having registration number: 1995/010118/07, with material beneficial shareholders being Newlifin (Pty) Ltd with 34.55% shareholding and Lythmich Investments (Pty) Ltd with 19.06% shareholding;
“the Term Loan”	the Term Loan owed by Accénuate to First National Bank Limited in full, recorded to be the sum of R13 081 177.02; and
“the Transactions”	the Specific Repurchase and Disposal and the Subordinated Convertible Loan Agreements.





**ACCÉNTUATE LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 2004/029691/06)  
JSE Share code: ACE ISIN: ZAE000115986  
("Accéntuate" or "the Company")

## DIRECTORS

### Executive

Fred Platt (Chief Executive Officer)  
Maarten Coetzee (Chief Financial Officer)  
Donald Platt

### Non-Executive

Ralph Patmore (Chairman)\*  
Andile Mjamekwana  
Pieter Kriel  
Eric Ratshikhopha\*

\* *independent*

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# CIRCULAR TO ACCÉNTUATE SHAREHOLDERS

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## 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to provide Accéntuate Shareholders with relevant information relating to the Specific Repurchase and Disposal and the Subordinated Convertible Loan Agreements ("the Transactions") and to give notice of a General Meeting of Accéntuate Shareholders in order to consider and, if deemed fit, to pass, with or without modification, the resolutions necessary to approve and implement the Specific Repurchase and the Subordinated Convertible Loan Agreements, in accordance with the Listings Requirements.

To place all of the authorised but unissued Accéntuate Ordinary Shares of 0.001 cents each in the capital of the Company under the control of the Directors to recapitalise the Company in need. The recapitalisation by the Directors is subject to such issue being followed by a rights offer to all Accéntuate Shareholders at a price per Accéntuate Ordinary Share equal to the price per share of an Accéntuate Ordinary Share issued pursuant to a recapitalisation of the Company by the Directors. All Ordinary Shares issued in terms of a recapitalisation of the Company and any subsequent issue pursuant to a rights offer shall rank *pari passu*.

A notice convening such meeting is attached to, and forms part of this Circular.

## 2. BUSINESS AND PROSPECTS OF ACCÉNTUATE

### 2.1 Business of Accéntuate

- 2.1.1. Accéntuate is listed on the Alt<sup>x</sup> of the JSE and is a group of companies involved in the water treatment, chemical blending, industrial and commercial cleaning, metal treatment sectors and the flooring market. Accéntuate is a truly South African company, partnered with local and international leaders in their field, and in this way can fulfil the mandate of consciously supporting economic transformation in the country.

### 2.2 Opinion of the Directors on the prospects of Accéntuate

- 2.2.1. The prospects of Accéntuate are to expand its focus on the water treatment sector and increase its market shares in the chemical and flooring markets by continuously revisiting its strategy in order to meet market demands for an increased focus on adaptation to technological trends.

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# THE PROPOSED SPECIFIC REPURCHASE AND DISPOSAL

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## 3. SALIENT TERMS OF THE SPECIFIC REPURCHASE AND DISPOSAL

In August 2017 Accénuate entered into a sale agreement ("2017 Sale Agreement") with the Purchasers in terms of which the Purchasers sold their entire 100% shareholding in Pentaflour to Accénuate, for a total purchase consideration of R13 081 177.02 plus 5 317 431 Accénuate Ordinary Shares which were issued to Bianca Shakinovsky pursuant to the 2017 Sale Agreement as part payment of the Purchase Consideration ("the Accénuate Shares"). The Company is unwinding the transaction as it has not delivered on the expectations of the parties.

Accénuate is required to obtain Shareholder approval to buy back the Accénuate Shares from Pentaflour within 180 days with effect from 28 February 2019 in terms of the Agreement (at no cost to Accénuate) as part payment for the entire issued shareholding in Pentaflour with a combined NAV of R6 283 870, in terms of the Agreement. The audited profits attributable to the net assets for the year ended 30 June 2018 on an IFRS basis was R1 189 444.

Failing Shareholder approval, Accénuate will be paid the market value of such shares as at 7 November 2019 being, 180 Business Days from 28 February 2019.

Accénuate will have no beneficial interest in the 5 317 431 Accénuate Shares until Shareholder approval has been obtained for the Specific Repurchase and Disposal.

The cash component of the transaction, being an amount of R13 081 177.02, was used by the Company to settle the outstanding balance on the term loan that was obtained to purchase part of the shares of Pentaflour.

The Specific Repurchase Shares will, in addition to the cash component referred to above, be paid for by returning the Pentaflour shares to the Purchasers, in exchange for the Specific Repurchase Shares. The Company will not be effecting any further payments in cash, as the Purchase Consideration is being settled by transfer of the entire shareholding held by Accénuate in Pentaflour to the Purchasers.

### 3.1 Terms of the Specific Repurchase and Disposal

Accénuate and the Purchasers have reached agreement relating to the Specific Repurchase of Accénuate Shares held by Bianca Shakinovsky, as at 28 February 2019, subject to the provisions of the Company's Memorandum of Incorporation, the Companies Act, the Listings Requirements and this Circular.

The Specific Repurchase will:

- be for 5 317 431 Accénuate Shares held by Bianca Shakinovsky;
- be effected by exchanging the Pentaflour shares for the Specific Repurchase Shares; and
- be utilised to settle the Term Loan in full, which loan related to the funding of the original Pentaflour acquisition such that Accénuate (inclusive of its subsidiaries) bears no further cost or obligation to First National Bank Limited of whatsoever nature and howsoever arising in respect of the Term Loan as at such date.

### 3.2 Conditions precedent

The Specific Repurchase and Disposal are subject to the fulfilment or waiver of the following conditions precedent:

3.2.1 the passing of a special resolution of the Shareholders of Accénuate (excluding Bianca Shakinovsky) approving the Specific Repurchase, as required by section 115(2) of the Companies Act and paragraph 5.69(b) of the Listings Requirements, and (ii) to the extent required, the approval of the implementation of the special resolution in paragraph 2.2.1 by the court in terms of clause 115(3) of the Companies Act, and (iii) if applicable, Accénuate not treating such resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act; and

3.2.2 within 30 Business Days following the General Meeting, Shareholders exercising their appraisal rights in terms of section 164 of the Companies Act, by giving valid demands in terms of section 164(7) of the Companies Act, in respect of no more than 10% of the issued shares in Accénuate. If Shareholders give notice objecting to the Specific Repurchase and Disposal as contemplated in section 164(3) of the Companies Act, or vote against the resolution for the Specific Repurchase and Disposal in respect of no more than 10% of the issued shares in Accénuate, this condition will be deemed to have been fulfilled at the time of the passing of the Specific Repurchase and Disposal resolution.

### 3.3 Impact of the Specific Repurchase on the financial information of Accéntuate

The impact of the Specific Repurchase has been calculated and the Board can confirm that the sum required to settle the Term Loan in full recorded to be the sum of R13 081 177.02 such that Accéntuate (inclusive of its subsidiaries) bears no further cost or obligation to First National Bank Limited of whatsoever nature and howsoever arising in respect of the Term Loan as at such date.

The portion of the Term Loan relating to the funding of the original Pentaflor transaction will therefore be settled by Pentaflor on behalf of the Company.

### 3.4 Authorisation of the Specific Repurchase

In terms of the Company's Memorandum of Incorporation, the Board does not possess the authority to effect the Specific Repurchase. As such, Accéntuate requires a General Meeting of Shareholders for the purposes of approving the Specific Repurchase and Disposal.

In terms of the Listings Requirements, the Specific Repurchase and Disposal requires the approval of a special resolution achieving a 75% majority of the votes cast in favour thereof by all Shareholders present or represented by proxy at the General Meeting, excluding the Specific Repurchase participant, being Bianca Shakinovsky who until such time as the Special Resolution authorising the Specific Repurchase is approved remains a Shareholder of the Company. Accordingly, in terms of paragraph 5.69(b) of the Listings Requirements, Bianca Shakinovsky will be excluded from voting on the Specific Repurchase and Disposal. Her votes will however be considered for purposes of establishing a quorum for the General Meeting.

In terms of section 115(2)(a) of the Companies Act, the Specific Repurchase and Disposal requires the approval of a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the Company's Memorandum of Incorporation. The Accéntuate Memorandum of Incorporation prescribes that sufficient persons must be present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on that matter. In terms of section 115(4) of the Companies Act, Bianca Shakinovsky will be excluded when calculating the percentage of voting rights required to be present in determining whether the applicable quorum requirements are satisfied. Such a special resolution requires the approval of more than 75% of the voting rights exercised on that resolution.

## 4. SUMMARY OF APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before the special resolution in relation to the Specific Repurchase and Disposal ("**Special Resolution 1**"), as set out in the notice of General Meeting annexed to this Circular is voted on, a dissenting Shareholder may give the Company a written notice objecting to Special Resolution 1. Such notification must be delivered to the Company Secretary by electronic mail at [sirkien@juba.co.za](mailto:sirkien@juba.co.za) or to the Company's registered office.

Any such dissenting Shareholder must also vote against Special Resolution 1 at the General Meeting.

Within 10 Business Days after the Company has adopted such Special Resolution 1, the Company must send a notice that Special Resolution 1 has been adopted to each Accéntuate Shareholder who:

- gave the Company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of Special Resolution 1.

An Accéntuate Shareholder may demand that the Company pay it the fair value for all the shares of the Company held by that person if:

- the Accéntuate Shareholder has sent the Company a notice of objection;
- the Company has adopted Special Resolution 1; and
- the Accéntuate Shareholder voted against Special Resolution 1 and has complied with all the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in **Annexure 1** of the Circular.

## **5. AGREEMENTS IN RELATION TO THE SPECIFIC REPURCHASE AND DISPOSAL**

Other than the Agreement, no agreements have been entered into between Accéntuate and/or any party/ies acting in concert with it and Accéntuate and/or the Accéntuate Directors (as at the Last Practicable Date or having resigned in the preceding 12 months) and/or Accéntuate Shareholders (as at the Last Practicable Date or who were Accéntuate Shareholders in the preceding 12 months) in relation to the Specific Repurchase and Disposal.

## **6. ADEQUACY OF CAPITAL**

6.1 The Directors of Accéntuate have considered the impact of the Specific Repurchase and Disposal and are of the opinion that the provisions of sections 46 and 48 of the Companies Act and paragraph 5.69(c) of the Listings Requirements have been complied with and that:

6.1.1 Accéntuate will be able to pay their debts in the ordinary course of business for a period of 12 months after the date of approval of this Circular;

6.1.2 the assets of Accéntuate will be in excess of the liabilities of Accéntuate for a period of 12 months after the date of approval of this Circular. For this purpose, the assets and liabilities were measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;

6.1.3 the share capital and reserves of Accéntuate will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this Circular; and

6.1.4 the working capital resources of Accéntuate will be adequate for ordinary business purposes for a period of 12 months after the date of issue of this Circular.

6.2 Furthermore, the Directors of Accéntuate and its Subsidiaries state as follows:

6.2.1 in terms of section 46(1)(a)(ii) of the Companies Act, the Board has, by resolution, approved the Specific Repurchase;

6.2.2 in terms of section 46(1)(b) of the Companies Act, it reasonably appears that Accéntuate will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase; and

6.2.3 in terms of section 46(1)(c) of the Companies Act, the Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that Accéntuate will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase.

## **7. SOURCE OF FUNDS**

No cash will be used to purchase the Specific Repurchase Shares from the Purchasers, as the Purchase Consideration is to be settled by the transfer of the entire issued share capital in Pentafloor from Accéntuate to the Purchasers.

## **8. CANCELLATION AND DELISTING**

Following the fulfilment of the conditions precedent outlined in paragraph 3.2 above, the Specific Repurchase Shares will be delisted, cancelled as issued Shares and reinstated as authorised but unissued Shares.

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# THE PROPOSED TRANSACTION RELATING TO THE SUBORDINATED CONVERTIBLE LOAN AGREEMENTS

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## 9. INTRODUCTION AND RATIONALE FOR THE SUBORDINATED CONVERTIBLE LOAN AGREEMENTS

On 3 April 2019 and 16 April 2019 Accénuate announced that it had entered into Subordinated Convertible Loan Agreements with the Lenders. Accénuate requires loan funding from the Lenders, who have agreed to provide the required loan funding, in order to meet and, or exceed its cash liquidity covenants in terms of a bank facility agreement ("**Bank Covenants**"). The Loan Agreements create an obligation to repay the loan funding to the Lenders, subject to the right of the Lenders to convert their pro-rata portion of the loan funding into Ordinary Shares in the share capital of the Company, at any time prior to the repayment of the loan, which is due to be repaid within 24 (twenty-four) months, provided this conversion right is approved by Shareholders in General Meeting.

In terms of section 5.53(b) of the JSE Listings Requirements, Shareholders are advised that Accénuate, has entered into Subordinated Convertible Loan Agreements with the Lenders. The fairness opinion is required to confirm that the conversion rights are fair to Shareholders, given that two of the Lenders are classified as a related party in terms of section 10.4(f) of the JSE Listings Requirements.

## 10. RELATED PARTIES

Frederick Cornelius Platt, the Chief Executive Officer of Accénuate holds a beneficial interest of 4.72% in Accénuate Ordinary Shares and is deemed to be a related party in terms of the JSE Listings Requirements and has loaned R1 000 000 (one million Rand) to the Company.

TBI is a material Shareholder with a 28.92% holding of Accénuate Ordinary Shares and is deemed to be a related party in terms of the JSE Listings Requirements and has loaned R1 000 000 (one million Rand) to the Company.

Pruta holds 8.61% Accénuate Ordinary Shares and is not a related party and has loaned R1 500 000 (one million five hundred thousand Rand) to the Company.

Jacana holds 9.72% Accénuate Ordinary Shares and is not a related party and has loaned R1 500 000 (one million five hundred thousand Rand) to the Company.

In terms of the Listings Requirements the related parties will be taken into account in determining a quorum at the General Meeting, but their votes will not be taken into account in determining the results of the voting at the General Meeting, as they are related parties.

The fairness opinion is required to confirm that the conversion rights are fair to Shareholders, given that two of the Lenders are classified as a related party in terms of section 10.4(f) of the JSE Listings Requirements.

## 11. SUBORDINATED CONVERTIBLE LOAN AGREEMENTS

Accénuate has entered into Subordinated Convertible Loan Agreements ("the loans") with the Lenders in terms of which, the Lenders have advanced the loans to the Company, and subject to approval of the Shareholders in General Meeting, the Lenders will collectively, have an option to convert such loans into a maximum of 16 666 667 Ordinary Shares in their sole discretion prior to repayment of the loans, equating to a share price of 30 cents per Ordinary Share. The 30 cents per Ordinary Share is as a result of negotiations and not as a calculation mechanism.

The loans are to endure for a period of 24 (twenty-four) months following the month of disbursement ("**the Term**"). The loans attract interest at the Prime Rate plus 4% (four per centum). During the Term and prior to a Corporate Event, the Lenders shall be entitled to convert their entire loan principal (and not part thereof) including accrued interest, into Accénuate shares at the lower of R0.30 (thirty cents) per Accénuate share and the price per share as contemplated in a Corporate Event less a 15% (fifteen *per centum*) discount thereon (if applicable). The interest on the loan principal will be capitalised to the loan until such time as the Bank Covenants have been fulfilled.

It is recorded that Jacana and Pruta wished to amend the Subordinated Convertible Loan Agreements concluded by them by inserting a further Interest rate provision to allow for interest in respect of the option on the part of the Lender to convert the loan principal into ordinary Accénuate shares. The amendment to the Subordinated Convertible Loan Agreements was signed between Jacana and Accénuate, as well as between Pruta and Accénuate on 16 May 2019. The Addendum and the Subordinated Convertible Loan Agreements will be read and construed as one agreement and will be available for inspection.

## 12. SECURITY AGREEMENTS

Accéntuate has entered into an agreement of pledge and cession of the shares held in Floorworx and Safic dated 31 March 2019 and authorised the Company as the sole shareholder of Floorworx and Safic to provide suretyships for the obligations of the Company and to enter into the following security agreements in favour of each of the Lenders –

12.1 Cession of residual book debts of Floorworx and Safic;

12.2 Cession and Pledge of the Companies shareholding in Floorworx and Safic; and

12.3 A notarial covering bond over the stock of Floorworx.

(“the Security Agreements”)

The Security Agreements will be available for inspection.

## 13. COLLATERAL SECURITY SHARING AGREEMENT

The Board has authorised each of Floorworx and Safic to conclude a collateral security sharing agreement with the Lenders providing for the sharing of the benefits under the security agreements between the Lenders. The Collateral Security Sharing Agreement dated 25 April 2019 will be available for inspection.

## 14. IRREVOCABLE UNDERTAKINGS

The Company has received irrevocable undertakings from the Lenders excluding the related parties to vote in favour of the share conversion rights associated with the loans and have advanced to the Company the funding required, to meet the covenants in terms of the bank facility agreement.

Name of Shareholder	Number of shares held	% of Total Shares
Jacana	13 541 684	9.72
Pruta	12 004 605	8.61
Total	25 546 289	18.33

## 15. EFFECTIVE DATE

The effective date for the transaction is 29 March 2019.

## SHARE CAPITAL AND DIRECTORS

### 16. AUTHORISED AND ISSUED SHARE CAPITAL

The tables below show the issued share capital of Accéntuate before and after the Specific Repurchase and the convertible loan instruments, based on the share capital as at the Last Practicable Date:

Before the Specific Repurchase and Subordinated Convertible Loans	Number of shares	R'000
<b>Authorised</b>		
Ordinary shares at 0.001 cents each	500 000 000	5
<b>Issued</b>		
Ordinary shares at 0.001 cents each	139 366 188	1
Share premium		150 556
Deemed treasury shares held <sup>1</sup>	(3 978 890)	
<b>Share capital and premium, net of treasury shares</b>	<b>135 387 298</b>	<b>150 557</b>

After the Specific Repurchase and Subordinated Convertible Loans	Number of shares	R'000
<b>Authorised</b>		
Ordinary shares at 0.001 cents each	500 000 000	5
<b>Issued</b>		
Ordinary shares at 0.001 cents each	156 032 855	1
Deemed treasury shares held <sup>1, 2 &amp; 3</sup>	(9 296 321)	
Share premium		152 366
<b>Share capital and premium</b>	<b>146 736 534</b>	<b>152 367</b>

**Note:**

- As at the Last Practicable Date, Accéntuate Limited held 1 081 919 as treasury shares.
- As at the Last Practicable Date, The Accéntuate Limited Share Trust held 2 896 971 shares which are considered to be deemed treasury shares.
- The number of Specific Repurchase shares is 5 317 431.

### 17. MAJOR SHAREHOLDERS

Insofar as it is known to the Directors, the following Shareholders have a direct or indirect, beneficial interest of 5% or more of the issued share capital of Accéntuate, as at the Last Practicable Date:

**Before the Specific Repurchase and the Subordinated Convertible Loans:**

Shareholder	Number of Ordinary Shares held	% of total Shares in issue
TBI Strategic Partners (Pty) Ltd	40 310 792	28.92
Thebe Investment Corporation (Pty) Ltd	17 653 443	12.67
Jacana Assets Ltd	13 541 684	9.72
Pruta Securities (Jersey) Ltd	12 004 605	8.61
Frederick Platt	6 573 408	4.72
<b>Total</b>	<b>90 083 932</b>	<b>64.64</b>

**After the Specific Repurchase and the conversion of the Subordinated Convertible Loans into Ordinary Shares:**

Shareholder	Number of Ordinary Shares held	% of total Shares in issue
TBI Strategic Partners (Pty) Ltd	43 644 125	27.97
Thebe Investment Corporation (Pty) Ltd	17 653 443	11.31
Jacana Assets Ltd	18 541 684	11.88
Pruta Securities (Jersey) Ltd	17 004 605	10.90
Frederick Platt	9 906 741	6.35
<b>Total</b>	<b>156 032 855</b>	<b>68.42</b>

There have been no changes in the controlling shareholder of the Company over the past 5 (five) years.

## 18. DIRECTORS

18.1 The full names, ages, business address and capacities of the Directors of Accéntuate are set out below:

Name	Age	Designation	Business Address
Frederick Cornelius Platt	52	Chief Executive Officer	32 Steele Street, Steeledale 2197
Maarten Jacobus Coetzee	40	Chief Financial Officer	32 Steele Street, Steeledale 2197
Donald Ernest Platt	60	Executive Director	32 Steele Street, Steeledale 2197
Ralph Bruce Patmore	67	Independent Chairman	32 Steele Street, Steeledale 2197
Andile Mjamekwana	42	Non-Executive Director	32 Steele Street, Steeledale 2197
Pieter Slabbert Kriel	59	Non-Executive Director	32 Steele Street, Steeledale 2197
Ntendeni Eric Ratshikhopha	68	Independent Non-Executive Director	32 Steele Street, Steeledale 2197

All Directors are South African citizens.

### 18.2 Directors' interests in securities

At the Last Practicable Date, the Directors held, directly or indirectly, beneficial interests in approximately 43 million shares in Accéntuate, representing approximately 32% of the total issued share capital of Accéntuate, net of treasury shares. The direct and indirect beneficial interests of members of the Board are as follows:

2018 Director	Beneficial		Total number of Shares	% of issued share capital
	Direct	Indirect		
<b>Executive</b>				
Frederick Cornelius Platt	6 573 408		6 573 408	4.72
Donald Ernest Platt	1 600 000		1 600 000	1.15
<b>Non-Executive</b>				
Pieter Slabbert Kriel (Thebe Investment Corporation)		17 653 443	17 653 443	12.67
Andile Mjamekwana (Thebe Investment Corporation)		17 653 443	17 653 443	12.67
<b>Total</b>	<b>8 173 408</b>	<b>35 306 886</b>	<b>43 480 294</b>	<b>31.21</b>



All the Directors intend, in respect of their own beneficial holdings in Accénuate Shares, to vote in favour of the resolutions to be considered to implement the Specific Repurchase and Disposal.

All the Directors, excluding the related parties intend, in respect of their own beneficial holdings in Accénuate Shares, to vote in favour of the resolutions to be considered to implement the share conversion rights associated with the loans.

### **18.3 Former directors' interests**

Thys du Preez retired as Director of the Company with effect from 11 January 2019 and still holds a beneficial indirect interest of 40 310 792 Accénuate Shares.

Ockert Goosen resigned as an Accénuate Alternate Non-Executive Director on 27 March 2019 and still holds a beneficial indirect interest of 40 310 792 Accénuate Shares.

### **18.4 Directors' interests in transactions**

Other than the Transactions, the Directors, including Directors who have resigned in the last 18 months, have had no direct or indirect interests in any transaction that the Company effected during the current or immediately preceding financial year, or in an earlier financial year which remain in any respect outstanding or unperformed.

### **18.5 Directors' dealings**

There are no changes to the Directors' interests in Shares since the last financial year ended 30 June 2018 up to the Last Practicable Date.

### **18.6 Directors' remuneration**

The remuneration of Accénuate Directors in their capacity as Accénuate Directors will not be varied as a result of the Transactions.

### **18.7 Service agreements**

Service contracts with Executive Directors of Accénuate were concluded on terms and conditions that are standard for such appointments and contain normal terms of employment. There are no service contracts in place in respect of Non-Executive Directors of Accénuate.

There are no service contracts entered into or amended within six months before the Specific Repurchase and Disposal.

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## GENERAL INFORMATION

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### 19. MATERIAL CONTRACTS

No material contracts, or restrictive funding arrangements have been entered into by the Accéntuate, being a contract entered into otherwise than in the ordinary course of business, within the two years preceding the date of this Circular or entered into at any time and containing any obligation or settlement that is material to Accéntuate at the date of this Circular other than Specific Repurchase and Subordinated Convertible Loan Agreements.

### 20. DIRECTORS' RESPONSIBILITY STATEMENT

#### Board of Directors

The Directors, whose names are stated on page 15 of this Circular collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

### 21. EXPERTS' CONSENTS

Each of the advisors, whose names appear in the "Corporate Information" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, to the inclusion of their reports in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

### 22. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the offices of Accéntuate and that of the Designated Advisor, which addresses are set out in the "Corporate Information" section of the Circular, during normal business hours from Friday, 25 October 2019 to Friday, 22 November 2019:

- the Company's Memorandum of Incorporation;
- the Specific Repurchase Agreement and the Subordinated Convertible Loan Agreements;
- the Security Agreements;
- the Collateral Security Sharing Agreements;
- the signed Addendum between Jacana and Accéntuate and the signed Addendum between Pruta and Accéntuate;
- the fairness opinions;
- Directors service agreements;
- the signed consent letters referred to in paragraph 20 above;
- the Independent Reporting Accountant's report on the pro forma financial information relating to the Subordinated Convertible Loan Agreements and the Specific Repurchase, the text of which is included in this Circular as Annexure 3;
- a signed copy of this Circular; and
- historical, audited annual financial statements of Accéntuate for each of the years ended 30 June 2016, 2017 and 2018 and the unaudited interim financial statements for the six-month period ended 31 December 2018.

### 23. DIRECTORS' RECOMMENDATION

The Board is of the opinion that the Transactions are fair insofar as the Accéntuate Shareholders are concerned and that the Board has been advised by an Independent Expert acceptable to the JSE. The Board recommends that Accéntuate Shareholders vote in favour of all the resolutions to be proposed at the General Meeting.

### 24. LITIGATION STATEMENT

There are no legal or arbitration proceedings including any proceedings that are pending or threatened, which may have, or have, during the 12 (twelve) months preceding the date of this Circular, had a material effect on the financial position of the Company.

### 25. GENERAL MEETING

A General Meeting of the Accéntuate Shareholders, will be held at 10:00 on Friday, 22 November 2019 at Accéntuate Business Park, 404 Southern Klipriviersberg Road, Steeledale, Johannesburg, for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions set out in the notice of General Meeting of Accéntuate Shareholders attached to, and forming part of this Circular.

Details of the action required to be taken by Accéntuate Shareholders in respect of the General Meeting is set out on page 3 of this Circular.

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## FINANCIAL INFORMATION

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### 26. TRANSACTION COSTS

The combined costs of the Specific Repurchase and the proposed loan conversion transaction, which amount to approximately R703 000 excluding VAT, are detailed in the table below:

Description	Recipient	Amount (Rand)
Designated Advisor	Bridge Capital Advisors Pty Ltd	250 000
Attorneys	Fullard Mayer Morrison Inc.	143 000
Independent Expert	Neema Capital Pty Ltd	100 000
Reporting Accountant	Moore Johannesburg Inc.	50 000
Documentation fee	JSE Limited	60 000
Transfer Secretarial fees	Computershare Investor Services Pty Ltd	25 000
Printing, publication, distribution and advertising	Graphiculture	50 000
Contingency	Sundry costs	25 000
<b>Total</b>		<b>703 000</b>

Accénuate did not incur preliminary expenses within the three years preceding the date of this Circular.

### 27. PRO FORMA FINANCIAL INFORMATION

The *pro forma* financial information is presented in accordance with the provisions of the JSE Listings Requirements and the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants.

The *pro forma* financial effects of the Transactions on Shareholders are the responsibility of the Directors and have been prepared for illustrative purposes only to provide information about how the Transactions would have affected the financial position and results of Accénuate and, because of its nature, may not fairly present Accénuate's financial position, changes in equity, results of operations and cash flows after the Transactions.

The accounting policies of Accénuate for the six months ended 31 December 2018 have been used in the preparation of the *pro forma* financial effects and are consistent with IFRS. It has been assumed for purposes of the *pro forma* financial effects that the transaction took place with effect from 1 July 2018 for the statement of comprehensive income and 31 December 2018 for the statement of financial position.

The *pro forma* financial effects set out below should be read in conjunction with the consolidated *pro forma* condensed statement of comprehensive income and the consolidated *pro forma* statement of financial position set out in Annexure 2, together with the assumptions upon which the financial effects are based and described in the notes thereto. The report of the independent reporting accountant in respect of the *pro forma* financial statements referred to in paragraph above, appears in Annexure 3 to this Circular.

**Scenario 1a: Disposal of Pentafloor and the Specific Repurchase**

<b>Unaudited interim results for the 6 months 31 December 2018</b>	<b>Before (cents)</b>	<b>Pro Forma After (cents)</b>	<b>% change</b>
Net asset value per share	67.51	62.44	(7.50)
Net tangible asset value per share	59.79	65.71	9.90
Earnings per share	(12.05)	(17.78)	47.53
Headline earnings per share	(7.75)	(14.77)	90.55
Diluted earnings per share	(11.80)	(17.39)	47.34
Diluted headline earnings per share	(7.58)	(14.44)	90.53
Weighted average number of Accéntuate shares in issue	133 827 505	128 510 074	(3.97)
Weighted average diluted number of Accéntuate shares in issue	136 724 426	131 407 045	(3.89)
Number of shares in issue	139 366 188	139 366 188	0.00

**Notes:**

1. *The Accéntuate financial information reflected in the "Before" column has been extracted from the published interim results of the Company for the six months ended 31 December 2018.*
2. *The earnings per share and headline earnings per share "After Disposal of Pentafloor and The Specific Repurchase and Scenario 1a" are based on the assumption that the transactions are effective from 1 July 2018 for the statement of comprehensive income purposes. The net asset value and tangible net asset value per share "After Disposal of Pentafloor and The Specific Repurchase and Scenario 1a" are based on the assumption that the transaction is effective 31 December 2018 for the statement of financial position.*
3. *The Pro Forma Financial Information reflects the disposal of Pentafloor and is based on the financial information of Pentafloor for the interim period ended 31 December 2018. The financial results of Pentafloor will not be consolidated going forward.*
4. *Other than the pro forma adjustments made as a result of the transaction as illustrated in Annexure 2 of the Circular there are no other post-balance sheet events which necessitate adjustment to the pro forma financial information as at the Last Practicable Date.*

**Scenario 1b: The Conversion of Convertible Subordinated Loans into the maximum number of shares**

<b>Unaudited interim results for the 6 months 31 December 2018</b>	<b>Before (cents)</b>	<b>Pro Forma After (cents)</b>	<b>% change</b>
Net asset value per share	67.51	63.51	(5.93)
Net tangible asset value per share	59.79	56.61	(5.33)
Earnings per share	(12.05)	(10.72)	(11.06)
Headline earnings per share	(7.75)	(6.89)	(11.10)
Diluted earnings per share	(11.80)	(10.52)	(10.89)
Diluted headline earnings per share	(7.58)	(6.76)	(10.82)
Weighted average number of Accéntuate shares in issue	133 827 505	150 494 172	12.45
Weighted average diluted number of Accéntuate shares in issue	136 724 426	153 391 143	12.19
Number of shares in issue	139 366 188	156 032 855	11.96

**Notes:**

1. *The Accéntuate financial information reflected in the "Before" column has been extracted from the published interim results of the Company for the six months ended 31 December 2018.*
2. *The earnings per share and headline earnings per share "After The Convertible Subordinated Loans and Scenario 1b" are based on the assumption that the transactions are effective from 1 July 2018 for the statement of comprehensive income purposes. The net asset value and tangible net asset value per share "After The Convertible Subordinated Loans and Scenario 1b" are based on the assumption that the transaction is effective 31 December 2018 for the statement of financial position.*
3. *The finance costs attributed to the Subordinated Convertible Loans was calculated with reference to an assumed prevailing prime interest rate of 10.25% for the subordinated convertible loans issued to foreign shareholders and the prime interest rate +4% for the subordinated convertible loans issued to local shareholders. It is further assumed that the interest payable on the Subordinated Convertible Loans will not be considered deductible for income taxation purposes (the loans being assumed to be hybrid equity instruments for income tax purposes). Interest payable on the loans is compounded monthly and payable in arrears but capitalised until such time as the First National Bank covenants are met. Redemption: 14 March 2021 or 2 years from drawdown whichever date is the latest. The cost of the proposed loan conversion is R703k.*
4. *All of the adjustments are of a continuing nature except for the R703k once-off transaction costs.*
5. *Other than the pro forma adjustments made as a result of the transaction as illustrated in Annexure 2 of the Circular there are no other post-balance sheet events which necessitate adjustment to the pro forma financial information as at the Last Practicable Date.*

### Scenario 1c: The cash settlement of the Convertible Subordinated Loans

Unaudited interim results for the 6 months 31 December 2018	Before (cents)	Pro Forma After (cents)	% change
Net asset value per share	67.51	67.01	(0.74)
Net tangible asset value per share	59.79	59.28	(0.85)
Earnings per share	(12.05)	(12.79)	6.12
Headline earnings per share	(7.75)	(8.31)	7.16
Diluted earnings per share	(11.80)	(12.51)	5.98
Diluted headline earnings per share	(7.58)	(8.12)	7.15
Weighted average number of Accéntuate shares in issue	133 827 505	128 510 074	(3.97)
Weighted average diluted number of Accéntuate shares in issue	136 724 426	131 407 045	(3.89)
Number of shares in issue	139 366 188	139 366 188	–

#### Notes:

1. The Accéntuate financial information reflected in the "Before" column has been extracted from the published interim results of the Company for the six months ended 31 December 2018.
2. The earnings per share and headline earnings per share "After The Convertible Subordinated Loans and Scenario 1c" are based on the assumption that the transactions are effective from 1 July 2018 for the statement of comprehensive income purposes. The net asset value and tangible net asset value per share "After The Convertible Subordinated Loans and Scenario 1c" are based on the assumption that the transaction is effective 31 December 2018 for the statement of financial position.
3. The finance costs attributed to the Subordinated Convertible Loans was calculated with reference to an assumed prevailing prime interest rate of 10.25% for the subordinated convertible loans issued to foreign shareholders and the prime interest rate +4% for the subordinated convertible loans issued to local shareholders. It is further assumed that the interest payable on the Subordinated Convertible Loans will not be considered deductible for income taxation purposes (the loans being assumed to be hybrid equity instruments for income tax purposes). Interest payable on the loans is compounded monthly and payable in arrears but capitalised until such time as the First National Bank covenants are met. Redemption: 14 March 2021 or 2 years from drawdown whichever date is the latest. The combined costs of the Specific Repurchase and the proposed loan conversion is R703k.
4. All of the adjustments are of a continuing nature except for the R703k once-off transaction costs.
5. Other than the pro forma adjustments made as a result of the transaction as illustrated in Annexure 2 of the Circular there are no other post-balance sheet events which necessitate adjustment to the pro forma financial information as at the Last Practicable Date.

## 28. MATERIAL CHANGES

The Board reports that, since the most recent reported financial information of Accéntuate for the six-month period ended 31 December 2018, there have been no material changes in the financial or trading position of the Company.

### SIGNED ON BEHALF OF THE ACCÉNTUATE BOARD

**Frederick Cornelius Platt**  
Chief Executive Officer

14 October 2019

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## RELEVANT SECTIONS FROM THE COMPANIES ACT

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**“Section 164: Dissenting shareholders appraisal rights**

- 1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- 2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
  - a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
  - b) enter into a transaction contemplated in section 112, 113 or 114,  
that notice must include a statement informing shareholders of their rights under this section.
- 3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- 4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
  - a) gave the company a written notice of objection in terms of subsection (3); and
  - b) has neither:
    - a) withdrawn that notice; or
    - b) voted in support of the resolution.
- 5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
  - a) the shareholder:
    - a) sent the company a notice of objection, subject to subsection (6); and
    - b) in the case of an amendment to the company’s Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
  - b) the company has adopted the resolution contemplated in subsection (2); and
  - c) the shareholder:
    - a) voted against that resolution; and
    - b) has complied with all of the procedural requirements of this section.
- 6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting or failed to include in that notice a statement of the shareholders rights under this section.
- 7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
  - a) 20 business days after receiving a notice under subsection (4); or
  - b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- 8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
  - a) the shareholder’s name and address;
  - b) the number and class of shares in respect of which the shareholder seeks payment; and
  - c) a demand for payment of the fair value of those shares.

- 9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
  - a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
  - b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
  - c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- 10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- 11) Within five business days after the later of:
  - a) the day on which the action approved by the resolution is effective;
  - b) the last day for the receipt of demands in terms of subsection (7)(a); or
  - c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- 12) Every offer made under subsection (11):
  - a) in respect of shares of the same class or series must be on the same terms; and
  - b) lapses if it has not been accepted within 30 business days after it was made.
- 13) If a shareholder accepts an offer made under subsection (12):
  - a) the shareholder must either in the case of:
    - a) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
    - b) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
  - b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
    - a) tendered the share certificates; or
    - b) directed the transfer to the company of uncertificated shares.
- 14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
  - a) failed to make an offer under subsection (11); or
  - b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- 15) On an application to the court under subsection (14):
  - a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
  - b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
  - c) the court:
    - a) may determine whether any other person is a dissenting shareholder who should be joined as a party;
    - b) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
    - c) in its discretion may:
      - aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or



- bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
  - d) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
  - e) must make an order requiring:
    - aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
    - bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time until the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- a) that shareholder must comply with the requirements of subsection 13(a); and
  - b) the company must comply with the requirements of subsection 13(b).
- 16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- 17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
  - b) the court may make an order that:
    - i) is just and equitable, having regard to the financial circumstances of the company; and
    - ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- 18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- 19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- a) the provisions of that section; or
  - b) the application by the company of the solvency and liquidity test set out in section 4.
- 20) Except to the extent:
- a) expressly provided in this section; or
  - b) that the Panel rules otherwise in a particular case,
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

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## **PRO FORMA FINANCIAL INFORMATION**

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The *pro forma* financial information is presented in accordance with the provisions of the JSE Listings Requirements and the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants. The *pro forma* financial effects have been prepared by the management of Accéntuate and are the responsibility of the Board. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Accéntuate's financial position, changes in equity or results of operations post implementation of the transaction. The accounting policies of Accéntuate for the six months ended 31 December 2018 have been used in the preparation of the *pro forma* financial effects and are consistent with IFRS. It has been assumed for purposes of the *pro forma* financial effects that the transaction took place with effect from 1 July 2018 for the statement of comprehensive income and 31 December 2018 for the statement of financial position.

The Independent Reporting Accountant's report on the *pro forma* financial information of Accéntuate is contained in Annexure 3.

**ACCENTUATE LIMITED**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

	Before (i)	Disposal of Pentafloor (ii)	Specific Repurchase (iii)	After Disposal of Pentafloor and the Specific Repurchase	Before (i)	Scenario 1a: Conversion of Convertible Subordinated Loans into maximum number of shares (iv)	After Scenario 1a	Convertible Subordinated Loans (v)	Scenario 1b: Cash repayment of Convertible Subordinated Loans (vi)	After the issue of Convertible Subordinated Loans and Scenario 1b	Transaction Costs (vii)	After Disposal of Pentafloor and the Specific Repurchase and Scenario 1a	After Disposal of Pentafloor and the Specific Repurchase and the issue of Convertible Subordinated Loans and Scenario 1b
	Actual ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Actual ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000
Revenue	154 429	(27 725)	–	126 704	154 429	–	154 429	–	–	154 429	–	126 704	126 704
Cost of sales	(88 774)	20 154	–	(68 620)	(88 774)	–	(88 774)	–	–	(88 774)	–	(68 620)	(68 620)
<b>Gross profit</b>	<b>65 655</b>	<b>(7 571)</b>	<b>–</b>	<b>58 084</b>	<b>65 655</b>	<b>–</b>	<b>65 655</b>	<b>–</b>	<b>–</b>	<b>65 655</b>	<b>–</b>	<b>58 084</b>	<b>58 084</b>
Other income	405	–	–	405	405	–	405	–	–	405	–	405	405
Loss on disposal of Pentafloor	–	(viii) (3 874)	–	(3 874)	–	–	–	–	–	–	–	(3 874)	(3 874)
Operating expenses	(83 977)	4 591	–	(79 386)	(83 977)	–	(83 977)	–	–	(83 977)	–	(79 386)	(79 386)
Investment income	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance costs	(2 219)	(viii) 1 024	–	(1 195)	(2 219)	–	(2 219)	(304)	–	(2 523)	(703)	(1 898)	(2 202)
<b>Profit before taxation</b>	<b>(20 136)</b>	<b>(5 830)</b>	<b>–</b>	<b>(25 966)</b>	<b>(20 136)</b>	<b>–</b>	<b>(20 136)</b>	<b>(304)</b>	<b>–</b>	<b>(20 440)</b>	<b>(703)</b>	<b>(26 669)</b>	<b>(26 973)</b>
Taxation	4 007	(887)	–	3 120	4 007	–	4 007	–	–	4 007	–	3 120	3 120
<b>Profit for the period</b>	<b>(16 129)</b>	<b>(6 717)</b>	<b>–</b>	<b>(22 846)</b>	<b>(16 129)</b>	<b>–</b>	<b>(16 129)</b>	<b>(304)</b>	<b>–</b>	<b>(16 433)</b>	<b>(703)</b>	<b>(23 549)</b>	<b>(23 853)</b>
<b>Other comprehensive income, net of tax</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>Items that will not be subsequently reclassified to profit or loss</i>													
– Revaluation of property, plant and equipment	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Items that may be subsequently reclassified to profit or loss</i>													
– Foreign currency translation adjustment	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total comprehensive income for the period</b>	<b>(16 129)</b>	<b>(6 717)</b>	<b>–</b>	<b>(22 846)</b>	<b>(16 129)</b>	<b>–</b>	<b>(16 129)</b>	<b>(304)</b>	<b>–</b>	<b>(16 433)</b>	<b>(703)</b>	<b>(23 549)</b>	<b>(23 853)</b>

	Before (i)	Disposal of Pentafloor (ii)	Specific Repurchase (iii)	After Disposal of Pentafloor and the Specific Repurchase	Before (i)	Scenario 1a: Conversion of Convertible Subordi- nated Loans into maximum number of shares (iv)	After Scenario 1a	Convertible Subordi- nated Loans (v)	Scenario 1b: Cash repayment of Convertible Subordi- nated Loans (vi)	After the issue of Convertible Subordi- nated Loans and Scenario 1b	Transaction Costs (vii)	After Disposal of Pentafloor and the Specific Repurchase and Scenario 1a	After Disposal of Pentafloor and the Specific Repurchase and the issue of Convertible Subordi- nated Loans and Scenario 1b
	Actual ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Actual ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000
<b>Profit attributable to:</b>													
Ordinary shareholders	(16 129)	(6 717)	–	(22 846)	(16 129)	–	(16 129)	(304)	–	(16 433)	(703)	(23 549)	(23 853)
Non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total comprehensive income attributable to:</b>													
Ordinary shareholders	(16 129)	(6 717)	–	(22 846)	(16 129)	–	(16 129)	(304)	–	(16 433)	(703)	(23 549)	(23 853)
Non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Headline earnings</b>													
Basic earnings	(16 129)	(6 717)	–	(22 846)	(16 129)	–	(16 129)	(304)	–	(16 433)	(703)	(23 549)	(23 853)
Adjustments	5 760	(1 892)	–	3 868	5 760	–	5 760	–	–	5 760	–	3 868	3 868
Profit on disposal of property, plant and equipment	(6)	–	–	(6)	(6)	–	(6)	–	–	(6)	–	(6)	(6)
Loss on disposal of Pentafloor	–	3 874	–	3 874	–	–	–	–	–	–	–	3 874	3 874
Goodwill write-off	5 766	(5 766)	–	–	5 766	–	5 766	–	–	5 766	–	–	–
Tax effect	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Headline earnings</b>	<b>(10 369)</b>	<b>(8 609)</b>	<b>–</b>	<b>(18 978)</b>	<b>(10 369)</b>	<b>–</b>	<b>(10 369)</b>	<b>(304)</b>	<b>–</b>	<b>(10 673)</b>	<b>(703)</b>	<b>(19 681)</b>	<b>(19 985)</b>
<b>Earnings per share</b>													
Basic earnings per share (cents)	(12.05)	–	–	(17.78)	(12.05)	–	(10.72)	–	–	(12.79)	–	(16.22)	(18.56)
Diluted earnings per share (cents)	(11.80)	–	–	(17.39)	(11.80)	–	(10.52)	–	–	(12.51)	–	(15.90)	(18.15)
Headline earnings per share (cents)	(7.75)	–	–	(14.77)	(7.75)	–	(6.89)	–	–	(8.31)	–	(13.56)	(15.55)
Diluted headline earnings per share (cents)	(7.58)	–	–	(14.44)	(7.58)	–	(6.76)	–	–	(8.12)	–	(13.29)	(15.21)
Weighted number of ordinary shares in issue	133 827 505	–	(5 317 431)	128 510 074	133 827 505	16 666 667	150 494 172	–	–	128 510 074	–	145 176 741	128 510 074
Weighted number of ordinary shares for diluted earnings per share	136 724 476	–	(5 317 431)	131 407 045	136 724 476	16 666 667	153 391 143	–	–	131 407 045	–	148 073 712	131 407 045

**Notes:**

- (i) The "Before" column represents the financial information of Accénuate, extracted without adjustment, from the published consolidated financial results of Accénuate for the interim period ended 31 December 2018.
- (ii) This adjustment reflects the disposal of Pentafloor and is based on the financial information of Pentafloor for the interim period ended 31 December 2018, which financial information has been the subject of an independent review by Moore Johannesburg Inc. The financial results of Pentafloor will not be consolidated going forward.
- (iii) This adjustment reflects the dilutionary financial effects of the Specific Repurchase.
- (iv) This adjustment reflects the dilutive scenario where the Lenders elect for the conversion of the Subordinated Convertible Loans into the maximum number of 16 666 667 ordinary shares in Accénuate on or before the repayment date.
- (v) This adjustment reflects the increase in finance costs attributed to the Subordinated Convertible Loans and which finance costs have been calculated with reference to an assumed prevailing prime interest rate of 10.25% for the subordinated convertible loans issued to foreign shareholders and the prime interest rate +4% for the subordinated convertible loans issued to local shareholders. It is further assumed that the interest payable on the Subordinated Convertible Loans will not be considered to be deductible for income taxation purposes (the loans being assumed to be hybrid equity instruments for income tax purposes).
- (vi) This adjustment represents the undilutive scenario where the Lenders elect to have the loan repaid in cash upon the repayment date.
- (vii) Transaction costs associated with the Subordinated Convertible Loans is R703 000.
- (viii) This adjustment represents the estimated loss arising on the disposal of Pentafloor and is calculated as follows:

	ZAR' 000
Estimated Selling Price for Pentafloor	16 271
Less: Net Assets attributable to Pentafloor as at 31 December 2018	(20 145)
Estimated loss on disposal of Pentafloor	(3 874)

- (viii) Included in this adjustment is a reduction in finance costs which result from the settlement of the term loan out of the cash proceeds from sale of Pentafloor. The interest saving is calculated with reference to cash proceeds of R13 081 177.02 and at an assumed interest rate of 14.25%. There is no tax effect on the interest saving as the term loan originally financed the purchase of shares.
- (ix) Save for adjustment (vii), all of the above adjustments will have a continuing effect on the statement of profit or loss and other comprehensive income Accénuate.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Before (i)	Disposal of Pentafloor (ii)	Specific Repur- chase (iii)	After Disposal of Pentafloor and the Specific Repur- chase	Before (i)	Scenario 1a: Conver- sion of Convertible Subordi- nated Loans into maximum number of shares (iv)	After Scenario 1a	Conver- tible Subordi- nated Loans (v)	Scenario 1b: Cash repayment of Convertible Subordi- nated Loans (vi)	After the issue of Convertible Subordi- nated Loans and Scenario 1b	After Disposal of Pentafloor and the Specific Repur- chase and Scenario 1a	After the issue of Convertible Subordi- nated Loans and Scenario 1b
	Actual ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Actual ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000
<b>ASSETS</b>												
Cash and cash equivalents	8 694	(2 749)	–	5 945	8 694	–	8 694	4 297	(5 000)	7 991	5 945	5 242
Trade and other receivables	31 767	<sup>(vii)</sup> (2 634)	(3 190)	25 943	31 767	–	31 767	–	–	31 767	25 943	25 943
Current tax assets	2 173	–	–	2 173	2 173	–	2 173	–	–	2 173	2 173	2 173
Inventories	87 907	(25 730)	–	62 177	87 907	–	87 907	–	–	87 907	62 177	62 177
Property, plant and equipment	58 688	(7 770)	–	50 918	58 688	–	58 688	–	–	58 688	50 918	50 918
Intangible assets	6 782	(11 335)	–	(4 553)	6 782	–	6 782	–	–	6 782	(4 553)	(4 553)
Goodwill	3 985	(3 985)	–	–	3 985	–	3 985	–	–	3 985	–	–
Deferred tax assets	4 412	–	–	4 412	4 412	–	4 412	–	–	4 412	4 412	4 412
<b>Total Assets</b>	<b>204 408</b>	<b>(54 203)</b>	<b>(3 190)</b>	<b>147 015</b>	<b>204 408</b>	<b>–</b>	<b>204 408</b>	<b>4 297</b>	<b>(5 000)</b>	<b>203 705</b>	<b>147 015</b>	<b>146 312</b>
<b>EQUITY AND LIABILITIES</b>												
<b>Liabilities</b>												
Bank overdraft	15 721	<sup>(vii)</sup> (13 081)	–	2 640	15 721	–	15 721	–	–	15 721	2 640	2 640
Borrowings	12 232	(39)	–	12 193	12 193	(5 000)	7 232	5 000	(5 000)	12 232	7 193	12 193
Trade and other payables	76 127	(33 358)	–	42 769	76 127	–	76 127	–	–	76 127	42 769	42 769
Current tax liabilities	2 194	(1 689)	–	505	2 194	–	2 194	–	–	2 194	505	505
Operating lease liability	655	(413)	–	242	655	–	655	–	–	655	242	242
Finance lease liabilities	1 579	(22)	–	1 557	1 579	–	1 579	–	–	1 579	1 557	1 557
Deferred tax liabilities	1 810	(1 727)	–	83	1 810	–	1 810	–	–	1 810	83	83
<b>Total Liabilities</b>	<b>110 318</b>	<b>(50 329)</b>	<b>–</b>	<b>59 989</b>	<b>110 318</b>	<b>(5 000)</b>	<b>105 318</b>	<b>5 000</b>	<b>(5 000)</b>	<b>110 318</b>	<b>54 989</b>	<b>59 989</b>
<b>Capital and reserves</b>												
Equity Attributable to Equity Holders of Parent												
Share capital	150 557	–	–	150 557	150 557	5 000	150 557	–	–	150 557	150 557	150 557
Deemed treasury shares	–	–	(3 190)	(3 190)	–	–	–	–	–	–	(3 190)	(3 190)
Other reserves	27 203	–	–	27 203	27 203	–	27 203	–	–	27 203	27 203	27 203
Accumulated Loss	(83 670)	<sup>(vii)</sup> (3 874)	–	(87 544)	(83 670)	–	(83 670)	(703)	–	(84 373)	(87 544)	(88 247)
	94 090	(3 874)	(3 190)	87 026	94 090	5 000	99 090	(703)	–	93 387	92 026	86 323
Non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total capital and reserves</b>	<b>94 090</b>	<b>(3 874)</b>	<b>(3 190)</b>	<b>87 026</b>	<b>94 090</b>	<b>5 000</b>	<b>99 090</b>	<b>(703)</b>	<b>–</b>	<b>93 387</b>	<b>92 026</b>	<b>86 323</b>
<b>Total Equity and Liabilities</b>	<b>204 408</b>	<b>(54 203)</b>	<b>(3 190)</b>	<b>147 015</b>	<b>204 408</b>	<b>–</b>	<b>204 408</b>	<b>4 297</b>	<b>(5 000)</b>	<b>203 705</b>	<b>147 015</b>	<b>146 312</b>

	Before (i)	Disposal of Pentafloor (ii)	Specific Repurchase (iii)	After Disposal of Pentafloor and the Specific Repurchase	Before (i)	Scenario 1a: Conversion of Subordinated Loans into maximum number of shares (iv)	After Scenario 1a	Convertible Subordinated Loans (v)	Scenario 1b: Cash repayment of Convertible Subordinated Loans (vi)	After the issue of Convertible Subordinated Loans and Scenario 1b	After Disposal of Pentafloor and the Specific Repurchase and Scenario 1a	After the issue of Convertible Subordinated Loans and Scenario 1b
	Actual ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Actual ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000	Pro forma ZAR'000
Net asset value per share (cents)	67.51	–	–	62.44	67.51	–	63.51	–	–	67.01	58.98	61.94
Tangible net asset value per share (cents)	59.79	–	–	65.71	59.79	–	56.61	–	–	59.28	61.90	65.21
Total Shares in issue	139 366 188	–	–	139 366 188	139 366 188	16 666 667	156 032 855	–	–	139 366 188	156 032 855	139 366 188
Deemed Treasury Shares	3 978 890	–	5 317 431	9 296 321	3 978 890	–	3 978 890	–	–	3 978 890	9 296 321	9 296 321
Number of shares in issue (excluding Treasury Shares)	135 387 298	–	(5 317 431)	130 069 867	135 387 298	16 666 667	152 053 965	–	–	135 387 298	146 736 534	130 069 867

**Notes:**

- (i) The “Before” column represents the financial information of Accénuate, extracted without adjustment, from the published consolidated financial results of Accénuate for the interim period ended 31 December 2018.
- (ii) This adjustment reflects the disposal of Pentafloor and is based on the financial information of Pentafloor for the interim period ended 31 December 2018, which financial information has been the subject of an independent review by Moore Johannesburg Inc. The financial results of Pentafloor will not be consolidated going forward.
- (iii) This adjustment reflects the dilutive financial effects of the Specific Repurchase. From an IFRS perspective, the Specific Repurchase is recorded at a repurchase price of R0,60 per Specific Repurchase Share.
- (iv) This adjustment reflects the dilutive scenario where the Lenders elect for the conversion of the Subordinated Convertible Loans into the maximum number of 16 666 667 ordinary shares in Accénuate on or before the repayment date.
- (v) This adjustment reflects the initial recognition of the Subordinated Convertible Loans as detailed in the Circular. The loans, which are considered compound financial instruments in terms of IAS 32: Financial Instruments: Presentation, are initially accounted for at the amortised cost. The Conversion Option, which constitutes an embedded derivative in terms of IFRS 9: Financial Instruments is considered to have a negligible value. The proceeds from the loans are reflected net of estimated transaction costs of R703 000.
- (vi) This adjustment represents the undilutive scenario where the Lenders elect to have the loan repaid in cash upon the repayment date.
- (vii) This adjustment includes the financial effects of the disposal of Pentafloor, including the estimated loss arising on the disposal and is which calculated as follows:

	ZAR' 000
Estimated Selling Price for Pentafloor *	16 271
Less: Net Assets attributable to Pentafloor as at 31 December 2018	(20 145)
Estimated loss on disposal of Pentafloor	(3 874)

\* The consideration received on the disposal of the shares held in Pentafloor comprises both a cash component of R13 081 177.02, which will be specifically applied to settle the term loan, and an amount of R3.19M, included within trade and other receivables, representing the balance of the selling price for Pentafloor, to be settled by the implementation of the Specific Repurchase.

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# INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF ACCÉNTUATE LIMITED

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The Directors  
Accénuate Limited  
32 Steele Street  
Steeledale  
2197

Dear Sirs/Madams

## INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF ACCÉNTUATE LIMITED

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Accénuate Limited ("Accénuate" or the "Company") by the Directors. The *pro forma* financial information, as set out in Annexure 2 of the circular to be dated on or about 25 October 2019 ("the Circular"), consists of the *pro forma* statement of comprehensive income, the *pro forma* statement of financial position and related notes (the "*Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled by the Directors on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements (the "JSE Listing Requirements") and described in Annexure 2 of the Circular.

The *Pro Forma* Financial Information has been compiled by the Directors to illustrate the impact of the disposal of Pentafloor, the Specific Repurchase and the Convertible Subordinated Loans on the published consolidated financial results of Accénuate for the interim period ended 31 December 2018, assuming that the proposed transactions were implemented on 1 July 2018, being the commencement date of the financial period for the purposes of the *pro forma* consolidated statement of comprehensive income and 31 December 2018, being the last day of the financial period for the purposes of the *pro forma* consolidated statement of financial position. As part of this process, information about Accénuate's financial position and financial performance have been extracted by the Directors from the Company's published consolidated financial results for the interim period ended 31 December 2018, on which an auditor's assurance report has been issued.

### **Directors' Responsibility for the *Pro Forma* Financial Information**

The Directors are responsible for compiling the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 2 of the Circular.

### **Reporting Accountants' independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ("IRBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants' Responsibility**

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements and described in Annexure 2 of the Circular based on our procedures performed.



We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420 Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated financial information.

As the purpose of *Pro Forma* Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for the purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Opinion**

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 2 of the Circular.

#### **MOORE JOHANNESBURG INC.**

Registered Auditor

Per: **Matthew Visser**

Chartered Accountant (SA)

Registered Auditor

Director

14 October 2019

50 Oxford Road

Parktown

2193

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# REPORT OF THE INDEPENDENT EXPERT – FAIRNESS OPINION

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14 October 2019

The Directors  
Accénuate Limited  
32 Steele Street  
Steeledale  
2197

Dear Sirs,

## **INDEPENDENT FAIRNESS OPINION IN RESPECT OF THE DISPOSAL OF PENTAFLOOR (PTY) LTD (“PENTAFLOOR”) BY ACCÉNUATE LIMITED (“ACCÉNUATE”) TO RELATED PARTIES (“THE TRANSACTION”)**

### **INTRODUCTION**

We have been appointed by the Board of Directors to advise the shareholders of whether, in our opinion the sale of Pentafloor, incorporating a Specific Repurchase by Accénuate of 5 317 431 Accénuate Shares from Ms Bianca Shakinovsky in terms of section 48 of the Companies Act, is fair to the shareholders of Accénuate.

In August 2017 Accénuate entered into a sale agreement with Ms B Shakinovsky and Mr L Shakinovsky (the “Purchasers”) in terms of which Accénuate acquired 100% of the shares in Pentafloor from the Purchasers. According to management of Accénuate, this transaction has not delivered on the expectations of the parties and Accénuate has decided to effectively the Pentafloor transaction in terms of a Sale of Shares, Claims and Cancellation Agreement concluded with the Purchasers on 19 February 2019. In terms of this agreement, Accénuate is required to buy back 5 317 431 Accénuate shares from the Ms Shakinovsky within 180 days with effect from 28 February 2019 at no cost to Accénuate (the “Specific Repurchase”).

The total purchase consideration payable by the Purchasers to Accénuate is R13 081 177.02 plus the value of the Accénuate Shares being repurchased. The shares are to be repurchased at NIL value. The cash component of the transaction was used by the Company to settle the outstanding balance on the term loan that was obtained to purchase part of the shares of Pentafloor.

The Transaction is deemed a category 2 transaction. As such, no shareholder approval was required to execute the Transaction. Shareholder approval is, however, required for the Specific Repurchase from the Purchasers.

A fairness opinion is required only on the Specific Repurchase in terms of section 5.69(e) of the JSE Listings Requirements.

### **EXPLANATION OF THE TERM ‘FAIR’**

#### **Fairness**

The term ‘fairness’ is defined in Schedule 5 of the JSE Listings Requirements as being primarily based on quantitative issues. Therefore, the Transaction would be considered fair to the Accénuate shareholders if the total consideration payable by Accénuate is equal to or less than the arm’s length fair value of the Accénuate shares at the time of the Transaction.

### **ASSUMPTIONS**

We arrived at our opinion based on the following assumptions:

- Current economic outlook, regulatory and market conditions will not change materially;
- That reliance can be placed on the audited annual financial statements of Pentafloor for the 12 months ended 28 February 2015;
- That reliance can be placed on the audited annual financial statements of Pentafloor for the 12 months ended 29 February 2016;

- That reliance can be placed on the audited annual financial statements of Pentaflor for the 12 months ended 28 February 2017;
- That reliance can be placed on the unaudited management accounts of Pentaflor for the 12 months ended 28 February 2018;
- That reliance can be placed on the unaudited management accounts of Pentaflor for the 12 months ended 28 February 2019;
- That reliance can be placed on the management accounts of Accénuate and its subsidiaries for the 12-month period ended 30 June 2019;
- That reliance can be placed on the audited annual financial statements of Accénuate and its subsidiaries for the years ended 30 June 2017 and 30 June 2018 during the course of this assignment;
- That reliance can be placed on the forecast financial information of Accénuate and its subsidiaries for the 12-month period ending 30 June 2020 as prepared by management;
- That reliance can be placed on the property valuations carried out by Tayland Valuations CC (as at 1 July 2018) and Charl Kruger of Kruger valuation services (as at 1 June 2018) on the properties owned by Accénuate;
- That reliance can be placed on the movable asset valuations carried out by The Valuator Group (Pty) Ltd (as at 25 July 2018) and Tayland valuations CC (as at 1 July 2018); and
- Where relevant, representations made by independent management and/or Directors were corroborated to source documents prepared by third parties, independent analytical procedures performed by us and by examining and analysing external factors that influence the business. This included an analysis of the forecast financial information against that of the audited annual financial statements for reasonability.

## SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information, including financial information obtained from management together with industry related and other information available in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

The principle sources of information used in formulating our opinion regarding the Transaction include:

- Audited annual financial statements of Accénuate and its subsidiaries for the years ended 30 June 2017 and 30 June 2018;
- Audited annual financial statements of Ion Exchange Safic (Pty) Ltd for the year ended 31 March 2019, an entity in which Accénuate holds a 40% shareholding;
- Unaudited management accounts of Accénuate and its subsidiaries for the 12 months ended 30 June 2019;
- The audited annual financial statements of Pentaflor for the 12 months ended 28 February 2015;
- The audited annual financial statements of Pentaflor for the 12 months ended 29 February 2016;
- The audited annual financial statements of Pentaflor for the 12 months ended 28 February 2017;
- The unaudited management accounts of Pentaflor for the 12 months ended 28 February 2018;
- The unaudited management accounts of Pentaflor for the 12 months ended 28 February 2019;
- Sale of Shares, Claims and Cancellation Agreement entered into between Bianca Shakinovsky, Larry Shakinovsky, Accénuate and Pentaflor (Pty) Ltd;
- Property valuations carried out by Tayland Valuations CC (as at 1 July 2018) and Charl Kruger of Kruger valuation services (as at 1 June 2018) on the properties owned by Accénuate;
- Movable asset valuations of Floorworx (Pty) Ltd and Safic (Pty) Ltd carried out by The Valuator Group (Pty) Ltd (as at 25 July 2018) and Tayland valuations CC (as at 1 July 2018);
- The draft circular to shareholders outlining the above Transaction;
- The rationale for the Transaction, together with the terms and conditions thereof;
- Forecast financial information for Accénuate and its subsidiaries for the 12 months ended 30 June 2020 as provided by management;
- Information and assumptions made available by and from discussions held with management; and
- Publicly available information relating to Accénuate and its subsidiaries and other competitors in this sector that we deemed to be relevant, including company announcements.

We obtained the information through:

- Conducting interviews with management and / or advisors; and
- Extracting information from the internet and the press.

We satisfied ourselves as to the appropriateness and reasonableness of the information with reference to:

- Audited annual financial statements of Accénuate and its subsidiaries for the years ended 30 June 2017 and 30 June 2018;
- Audited annual financial statements of Ion Exchange Safic (Pty) Ltd for the year ended 30 June 2019;
- Unaudited management accounts of Accénuate and its subsidiaries for the 12 months ended 30 June 2019;
- The audited annual financial statements of Pentafloor for the 12 months ended 28 February 2015;
- The audited annual financial statements of Pentafloor for the 12 months ended 29 February 2016;
- The audited annual financial statements of Pentafloor for the 12 months ended 28 February 2017;
- The unaudited management accounts of Pentafloor for the 12 months ended 28 February 2018;
- The unaudited management accounts of Pentafloor for the 12 months ended 28 February 2019;
- Conducting analytical reviews on the financial statements;
- Understanding the industries in which the entities operate; and
- Assessing whether replies from management and / or advisors on certain issues were corroborated by third parties and documentary evidence where possible.

## **LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS**

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained through discussion with the management of Accénuate. We express no opinion on this information. We were not able to meet with Pentafloor management and have relied on the information provided by Accénuate management for the purposes of this Transaction.

There were no limiting conditions, or any restrictions of scope imposed by the client whilst this opinion was being prepared.

Our opinion is based on current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

This letter and opinion is provided solely for the benefit of the shareholders of Accénuate in connection with and for the purposes of their consideration of the Transaction.

## **INDEPENDENCE**

We confirm in terms of Schedule 5 of the JSE Listings Requirements there is no relationship between Neema Capital (Pty) Ltd (“Neema”) and any other parties involved in this Transaction. Neema has no direct or indirect beneficial interest in Accénuate nor any other party involved in the Transaction. Neema’s fees are not payable in shares.

Each shareholder’s individual decision may be influenced by such shareholder’s particular circumstances and accordingly each shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the Transaction.

## **PROCEDURES**

In order to assess the fairness of the terms and conditions relating to the Transaction, we have performed, amongst others, the following procedures:

- Reviewed the audited annual financial statements of Accénuate and its subsidiaries for the years ended 30 June 2017 and 30 June 2018;
- Reviewed the audited annual financial statements of Ion Exchange Safic (Pty) Ltd for the year ended 31 March 2019;
- Reviewed the unaudited year to date management accounts of Accénuate and its subsidiaries for the 11 months ended 31 May 2019;
- Reviewed the forecast financial information of Accénuate and its subsidiaries as provided by management;
- Considered information made available by and from discussions held with the Directors, management and advisers of Accénuate;

- Reviewed the property valuations carried out by Tayland Valuations CC (as at 1 July 2018) and Charl Kruger of Kruger valuation services (as at 1 June 2018) on the properties owned by Accénuate;
- Reviewed the movable asset valuations carried out by The Valuator Group (Pty) Ltd (as at 25 July 2018) and Tayland Valuations CC (as at 1 July 2018);
- Reviewed general economic, market and related conditions in which Accénuate and its subsidiaries operates;
- Considered the rationale for the Transaction;
- Performed an indicative valuation of Accénuate using the Discounted Cash Flow (“DCF”) approach;
- Performed a secondary indicative valuation of Accénuate using the Net asset value (“NAV”) approach;
- Performed an indicative valuation of Pentaflor using the DCF method;
- Compared the value of Pentaflor to the total consideration paid by Accénuate Limited; and
- Conducted appropriate sensitivity analyses given a reasonable range of key assumptions on the valuations above. These included sensitivities on revenue growth rates, gross profit margins, capital expenditure, working capital movements and discount rates.

Sensitivity analyses were conducted, where practical, using key value drivers which may materially impact the value of Pentaflor. The results of these are set out below.

- I. Revenue growth rates: A 1% fluctuation in Revenue growth rates (e.g. 5% increased to 6%) into perpetuity would cause the valuation of Pentaflor to fluctuate by c. R1.16 million.
- II. Gross profit (“GP”) margins: A 1% fluctuation in GP margins (i.e. 35% increased to 36%) into perpetuity would cause the valuation of Pentaflor to fluctuate by c. R1.82 million.
- III. Capital expenditure: A 1% fluctuation in capital expenditure as a percentage of revenue per annum would cause the valuation of Pentaflor to fluctuate by c. R255 000.
- IV. Working capital movements: A 10 day fluctuation in working capital periods would cause the valuation of Pentaflor to fluctuate by c. R1.34 million
- V. Discount rates: A 1% fluctuation in the discount rate would cause the valuation of Pentaflor to fluctuate by c. R492,000.

Sensitivity analyses on the NAV valuation were conducted, where practical, using key value drivers which may materially impact the value of Pentaflor. The results of these are set out below.

- I. Realisable value of fixed assets: A 5% fluctuation in the realisable value of fixed assets would cause the valuation of Pentaflor to fluctuate by c. R372 000.
- II. Realisable value of net working capital: A 5% fluctuation in the realisable value of fixed assets would cause the valuation of Pentaflor to fluctuate by c. R222 000.
- III. Fair value of liabilities: A 5% fluctuation in the fair market value of liabilities (excluding working capital related liabilities) would cause the valuation of Pentaflor to fluctuate by c. R750 000.

We believe the above procedures commercially justify the conclusion outlined below.

## **CONFIRMATION OF PERFORMANCE OF VALUATION AND VALUATION METHODOLOGY**

We confirm that we have performed a valuation of Accénuate using the DCF approach. We also performed a valuation using the NAV approach.

The valuation was performed taking cognisance of Accénuate’s current and planned operations as well as other market factors affecting these operations at the time of this letter. Using the value derived from the above valuations, a comparison was made to the consideration payable per share.

Based on discussions with management, the following key value drivers to the DCF valuation are as follows:

**Internal:**

- The achievability of the forecasts;
- The discount rate applicable to Pentafloor;
- Forecast capital expenditure requirements;
- Revenue growth rates;
- Profit margins; and
- Working capital cycles.

**External:**

- The market in which Accénuate and Pentafloor operates;
- Changes in the economic conditions in South Africa;
- Long term economic growth rates; and
- Interest rates.

Key value drivers to the NAV method of Accénuate are as follows:

**Internal:**

- Fair market value of fixed assets considering the realisable value of these;
- Fair market value of working capital assets considering the realisable value of these; and
- Fair market value of the liabilities based on the outstanding amounts payable.

**External:**

- Market factors impacting the demand for certain assets; and
- Realisable values of the business assets in the event of sale.

Using the values derived from the above valuations, a comparison was made to the consideration payable per share.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

## **OPINION**

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

We have considered the terms and conditions of the Specific Repurchase, and based upon, and subject to the foregoing, we are of the opinion that the consideration payable of R13 081 177.02 by the Purchasers is fair to the shareholders of Accénuate.

## **CONSENT**

We hereby consent to the inclusion of this letter in the circular to the shareholders of Accénuate in terms of the JSE Listings Requirements.

Yours faithfully,

**SIGNED BY ROWAN MCDONALD**  
**NEEMA CAPITAL PROPRIETARY LIMITED**

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# REPORT OF THE INDEPENDENT EXPERT – FAIRNESS OPINION

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14 October 2019

The Directors  
 Accéntuate Limited  
 32 Steele Street  
 Steeledale  
 2197

Dear Sirs,

## INDEPENDENT FAIRNESS OPINION IN RESPECT OF THE PROPOSED SUBORDINATED CONVERTIBLE LOAN AGREEMENTS WITH RELATED PARTIES (“THE TRANSACTION”)

### INTRODUCTION

We have been appointed by the Board of Directors to advise the shareholders of whether, in our opinion the proposed Convertible Loan Agreements with Mr. FC Platt (Chief Executive Officer), Pruta Securities (Jersey) Limited, Jacana Assets Limited and TBI Strategic Partners (Pty) Ltd.

For the purposes of the Convertible Loan Agreements, Mr. FC Platt, the CEO of Accéntuate, holds a beneficial interest of 5.19% in Accéntuate ordinary shares and is a related party and has loaned R1 000 000 to the Company. TBI Strategic Partners (Pty) Ltd is a material shareholder with a 28.92% holding of Accéntuate ordinary shares and is a related party and has loaned R1 000 000 to the Company. The Convertible Loan Agreements are classified as related party transactions in terms of section 10.1(b) of the Listings Requirements and as such require a fairness opinion in terms of 10.4(f).

The Lenders also have an option, upon a “corporate event”, to convert their loans into ordinary shares at the corporate event price per share less a 15% discount thereon. The loans are to be repaid by the Company on or before the expiry of a 24-month period and are subject to shareholder approval.

Accéntuate is under cash flow pressure and requires the loans meet its short to medium term operational requirements.

### EXPLANATION OF THE TERM ‘FAIR’

#### Fairness

The term ‘fairness’ is defined in Schedule 5 of the JSE Listings Requirements as being primarily based on quantitative issues. Therefore, the Transaction would be considered fair to the Accéntuate shareholders if the conversion price of 30c per share is equal to or greater than the arm’s length fair value of the Accéntuate shares at the time of this letter.

### ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- Current economic outlook, regulatory and market conditions will not change materially;
- That reliance can be placed on the audited annual financial statements of Accéntuate and its subsidiaries for the years ended 30 June 2017 and 30 June 2018 during the course of this assignment;
- That reliance can be placed on the management accounts of Accéntuate and its subsidiaries for the 12-month period ended 30 June 2019;
- That reliance can be placed on the year-to-date (“YTD”) management accounts of Accéntuate and its subsidiaries for the 1-month period ended 31 July 2019;

- That reliance can be placed on the forecast financial information of Accénuate and its subsidiaries for the 12-month period ending 30 June 2020 as prepared by management of Accénuate;
- That reliance can be placed on the property valuations carried out by Tayland Valuations CC (as at 1 July 2018) and Charl Kruger of Kruger valuation services (as at 1 June 2018) on the properties owned by Accénuate;
- That reliance can be placed on the movable asset valuations carried out by The Valuator Group (Pty) Ltd (as at 25 July 2018) and Tayland Valuations CC (as at 1 July 2018); and
- Where relevant, representations made by independent management and/or Directors were corroborated to source documents prepared by third parties, independent analytical procedures performed by us and by examining and analysing external factors that influence the business. This included an analysis of the forecast financial information against that of the audited annual financial statements for reasonability.

## SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information, including financial information obtained from management together with industry related and other information available in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

The principle sources of information used in formulating our opinion regarding the Transaction include:

- Audited annual financial statements of Accénuate and its subsidiaries for the years ended 30 June 2017 and 30 June 2018;
- Audited annual financial statements of Ion Exchange Safic (Pty) Ltd for the year ended 31 March 2019, an entity in which Accénuate holds a 40% shareholding;
- Unaudited management accounts of Accénuate and its subsidiaries for the 12 months ended 30 June 2019;
- Unaudited management accounts of Accénuate and its subsidiaries for the 1 month ended 31 July 2019;
- Subordinated convertible loan agreements between Accénuate and Pruta Securities (Jersey) Limited, Jacana Assets Limited, Mr. FC Platt and TBI Strategic Partners (Pty) Ltd,
- Property valuations carried out by Tayland Valuations CC (as at 1 July 2018) and Charl Kruger of Kruger valuation services (as at 1 June 2018) on the properties owned by Accénuate;
- Movable asset valuations of Floorworx (Pty) Ltd and Safic (Pty) Ltd carried out by The Valuator Group (Pty) Ltd (as at 25 July 2018) and Tayland Valuations CC (as at 1 July 2018);
- The draft circular to shareholders outlining the above Transaction;
- The rationale for the Transaction, together with the terms and conditions thereof;
- Forecast financial information for Accénuate and its subsidiaries for the 12-month period ending 30 June 2020 as provided by management;
- Information and assumptions made available by and from discussions held with management; and
- Publicly available information relating to Accénuate and its subsidiaries and other competitors in this sector that we deemed to be relevant, including company announcements.

We obtained the information through:

- Conducting interviews with management and / or advisors; and
- Extracting information from the internet and the press.

We satisfied ourselves as to the appropriateness and reasonableness of the information with reference to:

- Audited annual financial statements of Accénuate and its subsidiaries for the years ended 30 June 2017 and 30 June 2018;
- Audited annual financial statements of Ion Exchange Safic (Pty) Ltd for the year ended 31 March 2019;
- Unaudited management accounts of Accénuate and its subsidiaries for the 12 months ended 30 June 2019;
- Unaudited management accounts of Accénuate and its subsidiaries for the 1 month ended 31 July 2019;
- Conducting analytical reviews on the financial statements;
- Understanding the industries in which the entities operate; and
- Assessing whether replies from management and / or advisors on certain issues were corroborated by third parties and documentary evidence where possible.



## LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained through discussion with the management of Accénuate. We express no opinion on this information.

There were no limiting conditions, or any restrictions of scope imposed by the client whilst this opinion was being prepared.

Our opinion is based on current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

This letter and opinion is provided solely for the benefit of the shareholders of Accénuate in connection with and for the purposes of their consideration of the Transaction.

## INDEPENDENCE

We confirm in terms of Schedule 5 of the JSE Listings Requirements there is no relationship between Neema Capital (Pty) Ltd (“Neema”) and any other parties involved in this Transaction. Neema has no direct or indirect beneficial interest in Accénuate nor any other party involved in the Transaction. Neema’s fees are not payable in shares.

Each shareholder’s individual decision may be influenced by such shareholder’s particular circumstances and accordingly each shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the Transaction.

## PROCEDURES

In order to assess the fairness of the terms and conditions relating to the Transaction, we have performed, amongst others, the following procedures:

- Reviewed the audited annual financial statements of Accénuate and its subsidiaries for the years ended 30 June 2017 and 30 June 2018;
- Reviewed the audited annual financial statements of Ion Exchange Safic (Pty) Ltd for the year ended 31 March 2019;
- Reviewed the unaudited management accounts of Accénuate and its subsidiaries for the 12 months ended 30 June 2019;
- Reviewed the unaudited management accounts of Accénuate and its subsidiaries for the 1 month ended 31 July 2019;
- Reviewed the forecast financial information of Accénuate and its subsidiaries as provided by management;
- Considered information made available by and from discussions held with the Directors, management and advisers of Accénuate;
- Reviewed the property valuations carried out by Tayland Valuations CC (as at 1 July 2018) and Charl Kruger of Kruger valuation services (as at 1 June 2018) on the properties owned by Accénuate;
- Reviewed the movable asset valuations carried out by The Valuator Group (Pty) Ltd (as at 25 July 2018) and Tayland Valuations CC (as at 1 July 2018);
- Reviewed general economic, market and related conditions in which Accénuate and its subsidiaries operates;
- Considered the rationale for the Transaction;
- Performed an indicative valuation of Accénuate using the Discounted Cash Flow (“DCF”) approach; and
- Performed an indicative valuation of Accénuate using the Net asset value (“NAV”) approach. The NAV approach is regarded as a secondary approach as the value of the business assets will not be realised through sale but rather in the ordinary course of the operations of the business. In addition, the NAV does not take into account equity market risk to which an investor is exposed and is thus, in our opinion, a less reliable indicator of value to consider;

Sensitivity analyses on the DCF valuation were conducted, where practical, using key value drivers which may materially impact the value of Accénuate Ltd. The results of these are set out below.

- VI. Revenue growth rates: A 0.5% fluctuation in Revenue growth rates (e.g. 5% increased to 5.5%) into perpetuity would cause the valuation of Accénuate to fluctuate by c. 9.7 cents per share.
- VII. Gross profit (“GP”) margins: A 0.5% fluctuation in GP margins (i.e. 48% increased to 48.5%) into perpetuity would cause the valuation of Accénuate to fluctuate by c. 6.6 cents per share.
- VIII. Operating expense growth rates: A 0.5% fluctuation in operating expense growth rates (e.g. 5% increased to 5.5%) into perpetuity would cause the valuation of Accénuate to fluctuate by c. 10.6 cents per share.
- IX. Capital expenditure: A 0.2% fluctuation in capital expenditure as a percentage of revenue (i.e. 0.4% to 0.6% of revenue) per annum would cause the valuation of Accénuate to fluctuate by c. 2.7 cents per share.

- X. Working capital movements: A 5% fluctuation in net working capital working capital would cause the valuation of Accentuate to fluctuate by c. 2.2 cents per share.
- XI. Discount rates: A 1% fluctuation in the discount rate would cause the valuation of Accentuate to fluctuate by c. 1.3 cents per share.

Sensitivity analyses on the NAV valuation were conducted, where practical, using key value drivers which may materially impact the value of Accentuate Ltd. The results of these are set out below.

- I. Realisable value of total assets: A 5% fluctuation in the realisable value of total assets would cause the valuation of Accentuate to fluctuate by c. 4.2 cents per share.
- II. Settlement value of liabilities: A 5% fluctuation in the fair market value of liabilities would cause the valuation of Accentuate to fluctuate by c. 2.9 cents per share.

We believe the above procedures commercially justify the conclusion outlined below.

## **CONFIRMATION OF PERFORMANCE OF VALUATION AND VALUATION METHODOLOGY**

We confirm that we have performed a valuation of Accéntuate using the DCF approach. We also performed a valuation using the NAV approach.

The valuation was performed taking cognisance of Accéntuate's current and planned operations as well as other market factors affecting these operations at the time of this letter. Using the value derived from the above valuations, a comparison was made to conversion price per share in the convertible loan agreements.

Key value drivers to the DCF valuation are as follows:

### **Internal:**

- Revenue growth rates;
- Gross profit margins;
- Operating expense growth rates;
- The discount rate applicable to Accéntuate;
- Forecast capital expenditure requirements; and
- Working capital cycles.

### **External:**

- The market in which Accéntuate operates;
- Changes in the economic conditions in South Africa;
- Long term economic growth rates; and
- Interest rates.

Key value drivers to the NAV method of Accéntuate are as follows:

### **Internal:**

- Fair market value of total assets considering the realisable value of these; and
- Fair market value of the liabilities based on the outstanding amounts payable.

### **External:**

- Market factors impacting the demand for certain assets; and
- Realisable values of the business assets in the event of sale.

Using the values derived from the above valuations, a comparison was made to the conversion price per share in the Convertible Loan Agreements.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

**OPINION**

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

We have considered the terms and conditions of the Convertible Loan Agreements, and based upon, and subject to the foregoing, we are of the opinion that the conversion price of 30c per share is fair to the shareholders of Accéntuate.

**CONSENT**

We hereby consent to the inclusion of this letter in the circular to the shareholders of Accéntuate in terms of the JSE Listings Requirements.

Yours faithfully,

**SIGNED BY ROWAN MCDONALD**  
**NEEMA CAPITAL PROPRIETARY LIMITED**

## SHARE TRADING HISTORY OF ACCÉNTUATE

Set out in the table below are the aggregate volumes and values and the highest and lowest prices in Accénuate shares traded on the exchange operated by the JSE in respect of:

- each month over the 12 months prior to the Last Practicable Date; and
- each day over the 30 days preceding the Last Practicable Date.

Monthly	High (cents)	Low (cents)	Value (R)
September 2019	40	38	1 197
August 2019	48	10	5 655
July 2019	54	10	793
June 2019	55	53	41
May 2019	55	54	639
April 2019	56	55	3 765
March 2019	56	50	272
February 2019	56	50	6 601
January 2019	55	40	5 421
December 2018	49	21	598
November 2018	45	14	1 739
October 2018	50	26	2 332

Date	Open	High	Low	Close	Volume	Value
2019-10-09	0	0	0	40	0	0
2019-10-08	34	40	34	40	1 002	400
2019-10-07	0	0	0	38	0	0
2019-10-04	0	0	0	38	0	0
2019-10-03	0	0	0	38	0	0
2019-10-02	0	0	0	38	0	0
2019-10-01	0	0	0	38	0	0
2019-09-30	0	0	0	38	0	0
2019-09-27	0	0	0	38	0	0
2019-09-26	38	38	38	38	2 500	950
2019-09-25	0	0	0	40	0	0
2019-09-23	40	40	40	40	530	212
2019-09-20	0	0	0	40	0	0
2019-09-19	0	0	0	40	0	0
2019-09-18	0	0	0	40	0	0
2019-09-17	40	40	40	40	8	3
2019-09-16	0	0	0	40	0	0
2019-09-13	0	0	0	40	0	0
2019-09-12	0	0	0	40	0	0

Date	Open	High	Low	Close	Volume	Value
2019-09-11	0	0	0	40	0	0
2019-09-10	40	40	40	40	80	32
2019-09-09	0	0	0	40	0	0
2019-09-06	0	0	0	40	0	0
2019-09-05	0	0	0	40	0	0
2019-09-04	0	0	0	40	0	0
2019-09-03	0	0	0	40	0	0
2019-09-02	0	0	0	40	0	0
2019-08-30	0	0	0	40	0	0
2019-08-29	47	47	40	40	7 000	3 150
2019-08-28	48	48	48	48	132	63

Source: Iress Expert



**ACCÉNTUATE LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 2004/029691/06)  
JSE Share code: ACE ISIN: ZAE000115986  
("Accéntuate" or "the Company")

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## NOTICE OF GENERAL MEETING OF ACCÉNTUATE SHAREHOLDERS

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*The definitions and interpretations commencing on page 5 of the Circular to which this notice of General Meeting is attached, apply mutatis mutandis to this notice of General Meeting and to the special and ordinary resolutions set out herein.*

**If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), Broker, Banker, Attorney, Accountant or other Professional Adviser immediately.**

Notice is hereby given that a General Meeting of Shareholders of the Company will be held at 10:00 on Friday, 22 November 2019 at Accéntuate Business Park, 404 Southern Klipriviersberg Road, Steeledale, Johannesburg, to consider, and, if deemed fit, to pass, with or without modification, the special and ordinary resolutions set out hereunder.

The Board has determined, in accordance with section 59(1)(a) and (b) of the Companies Act, that the record date for Accéntuate Shareholders to receive the notice of the General Meeting (the notice record date) is Friday, 11 October 2019 and the record date for Shareholders to be recorded as such in the register of Shareholders, maintained by the Transfer Secretaries of the Company, to be able to attend, participate in and vote at the General Meeting (the voting record date) is Friday, 15 November 2019. Therefore, the last day to trade in the Company's shares on the JSE to be recorded in the share register on the voting record date is Tuesday, 12 November 2019.

The votes attached to the Accéntuate Ordinary Shares beneficially held by Bianca Shakinovsky in terms of section 115(4) of the Companies Act, for the purposes of Special Resolution number 1, will not be taken into account in calculating the percentage of voting rights required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied, or required to be voted in support of, or actually voted in support of Special Resolution number 1.

The Accéntuate Ordinary Shares beneficially held by TBI and Frederick Cornelius Platt shall be taken into account in determining a quorum at the General Meeting, but their votes will not be taken into account in determining the results of the voting at the General Meeting, as they are related parties.

### **SPECIAL RESOLUTION NUMBER 1 – Approval of the Specific Repurchase and Disposal**

**"Resolved that** the Company be and is hereby authorised, by way of a specific authority in accordance with the applicable provisions of the Companies Act, the Listings Requirements and its Memorandum of Incorporation, to take transfer of 5 317 431 Accéntuate Shares from Bianca Shakinovsky."

Once the Specific Repurchase has been implemented, the Specific Repurchase Shares will be cancelled and restored to the authorised, but unissued, share capital of Accéntuate and will be delisted from the JSE.

In addition, in terms of section 46(1) of the Companies Act, it is stated as follows:

- the Board has authorised the Specific Repurchase by resolution; and
- the Board has, by resolution, acknowledged that it has applied the solvency and liquidity test as set out in section 4(1) of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the Specific Repurchase.

### **Explanatory note**

In terms of sections 48(8)(b) and 115 of the Companies Act and paragraphs 5.69(b) and 10.4(e) of the Listings Requirements read with the Memorandum of Incorporation of the Company, the requisite percentage of voting rights for the resolution to be adopted is at least 75% (seventy-five per centum) of the voting rights exercised on the resolution, excluding the votes attached to Accéntuate Shares beneficially held by Bianca Shakinovsky in terms of section 115(4) of the Companies Act.

### **SPECIAL RESOLUTION NUMBER 2 – Revocation of Special Resolution Number 1**

“**Resolved that**, subject to and in the event that:

- (i) Special Resolution Number 1 is approved;
- (ii) the Specific Repurchase is terminated and an announcement is published on SENS; and/or
- (iii) more than 10% (ten *per centum*) of Shareholders exercise their appraisal rights in terms of section 164 of the Companies Act, and the parties having not waived this condition precedent to the Specific Repurchase;

Special Resolution Number 1 is revoked with effect from the date of the announcement mentioned in (ii) above, as contemplated in section 164(9) of the Companies Act, and accordingly any dissenting Shareholder that has sent a demand to Accéntuate in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Accéntuate Shares, shall have no rights to be so paid under section 164 of the Companies Act.”

Special Resolution Number 2 will only be put to Shareholders to vote on if Accéntuate receives written notice from any Shareholder objecting to the Specific Repurchase in terms of section 164(3) of the Companies Act. The percentage of voting rights that will be required for this Special Resolution to be adopted is at least 75% of the voting rights exercised on the resolution, excluding the votes attached to Accéntuate Shares beneficially held by Bianca Shakinovsky in terms of section 115(4) of the Companies Act.

### **Explanatory note**

The reason for and effect of Special Resolution Number 2 is to remove the rights to payment of dissenting Shareholders if the Specific Repurchase is terminated. It will become effective only if: (i) Special Resolutions Number 1 and 2 are approved in terms of the Companies Act; (ii) the Specific Repurchase is terminated; and/ or (iii) more than 10% (ten per centum) of Shareholders exercise their appraisal rights in terms of section 164 of the Companies Act, and the parties having not waived this condition precedent to the Specific Repurchase.

### **SPECIAL RESOLUTION NUMBER 3 – Approval of the Subordinated Convertible Loan Agreements**

“**Resolved that** the Company be and is hereby authorised to enter into the Subordinated Convertible Loan Agreements with the Lenders, on the terms and conditions contained therein, and as detailed in this Circular.”

For Special Resolution Number 3 to be adopted, at least 75% (seventy-five *per centum*) of Shareholders present in person or represented by proxy and entitled to vote on this resolution at the General Meeting must cast their votes in favour of Special Resolution Number 3.

### **Explanatory note**

In terms of sections 41(1) and 41(3) of the Companies Act and the Company’s memorandum of incorporation, a special resolution adopted by at least 75% (seventy-five *per centum*) of the votes exercised on the resolution is required. The adoption of this Special Resolution Number 3 authorises the Company to enter into the Subordinated Convertible Loan Agreements with the Lenders, as detailed in this Circular.

### **SPECIAL RESOLUTION NUMBER 4 – Approval of the conversion of the loans in terms of the Subordinated Convertible Loan Agreements, into Accentuate Ordinary Shares**

“**Resolved that** the Company be and is hereby authorised to issue such number of Accentuate Ordinary Shares at an issue price of the lower of –

- R0.30 (thirty cents) per Accentuate Ordinary Share; and
- the price per Accentuate Ordinary Share as contemplated in a Corporate Event (if any) less a 15% (fifteen *per centum*) discount thereon -

as is required to give effect to the conversion of the loans, together with interest thereon, in order to extinguish such loans in terms of the Subordinated Convertible Loan Agreements, as set out in more detail in this Circular.”

For Special Resolution Number 4 to be adopted, at least 75% (seventy-five *per centum*) of Shareholders present in person or represented by proxy and entitled to vote on this resolution at the General Meeting must cast their votes in favour of Special Resolution Number 4. Special Resolution number 4 is subject to the approval and passing of Special Resolution number 3 above.

#### **Explanatory note**

The adoption of this Special Resolution Number 4 authorises the Company to convert the loans advanced to the Company, by the Lenders, in terms of the Subordinated Convertible Loan Agreement, into Accéntuate Ordinary Shares any time during the period of 24 (twenty-four) consecutive months, after the month in which the loan was advanced to the Company by the Lenders, in terms of the Subordinated Convertible Loan Agreements.

#### **ORDINARY RESOLUTION NUMBER 1 – Placing of all of the authorised but unissued Accéntuate Ordinary Shares under the control of Directors**

“**Resolved that** all of the authorised but unissued Accéntuate Ordinary Shares of 0.001 cent each in the capital of the Company be and are hereby placed under the control of the Directors, and that the Directors be and are hereby authorised to allot, issue and otherwise dispose of all or any of such shares at their discretion in terms of and subject to the provisions of the Companies Act, the MOI and the JSE Listings Requirements provided that such issue is followed by a rights offer to all Accéntuate Shareholders at a price per Accéntuate Ordinary Share equal to the price per share of an Accéntuate Ordinary Share issued pursuant to a recapitalisation of the Company.”

#### **Explanatory note**

The adoption of this Ordinary Resolution number 1 is that the Board requires the authority from Shareholders in terms of article 5(b) of its MOI to issue shares in the Company. This general authority, once granted, allows the Board from time to time, when it is appropriate to do so, to issue Ordinary Shares as may be required, inter alia, to facilitate growth and to capitalise the Company. Any Ordinary Shares issued to recapitalise the Company will be subject to such issue being followed by a rights offer to Accéntuate shareholders at a price per Accéntuate Ordinary Share equal to the price per share of an Accéntuate Ordinary Share issued pursuant to a recapitalisation of the Company. All Accéntuate Ordinary Shares issued in terms of a recapitalisation of the Company and any Accéntuate Ordinary Shares issued in terms of a subsequent rights offer shall rank *pari passu*.

#### **ORDINARY RESOLUTION NUMBER 2 – General authority granted to Directors**

“**Resolved that** any one Director of the Company be and is hereby authorised to do all such things, sign all such documents and take all such steps as may be necessary for or incidental to the implementation of Special Resolution Number 1, Special Resolution Number 2 if applicable, Special Resolution Number 3 and Special Resolution Number 4.”

#### **Explanatory note**

The adoption of this Ordinary Resolution Number 2 will authorise any Director of the Company to execute all documents and do all such further acts and things as he may in his discretion consider appropriate to implement and give effect to Special Resolution Number 1, and if applicable, Special Resolution Number 2, Special Resolution Number 3 and Special Resolution Number 4 as set out in this notice of General Meeting.

Ordinary resolutions to be adopted at this General Meeting require the support of a simple majority, which is more than 50% (fifty *per centum*) of the voting rights exercised on the resolutions.

#### **APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS**

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 1 as set out in this notice is voted on, a dissenting shareholder may give the Company a written notice objecting to Special Resolution Number 1. Such notification must be delivered to the Company Secretary by electronic mail at [sirkien@juba.co.za](mailto:sirkien@juba.co.za) or to the Company's registered office.

Any such dissenting shareholder must also vote against Special Resolution Number 1 at the General Meeting.

Within 10 Business Days after the Company has adopted Special Resolution Number 1, the Company must send a notice that Special Resolution Number 1 has been adopted to each Accéntuate Shareholder who:

- gave the Company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of Special Resolution Number 1.



An Accéntuate Shareholder may demand that the Company pay it the fair value for all the shares of the Company held by that person if:

- the Accéntuate Shareholder has sent the Company a notice of objection;
- the Company has adopted Special Resolution Number 1; and
- the Accéntuate Shareholder voted against Special Resolution Number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in Annexure 2 of the Circular.

## **ELECTRONIC PARTICIPATION**

Shareholders wishing to participate electronically at the General Meeting are required to deliver written notice to the Company Secretary, with a copy to the Transfer Secretaries, at the applicable addresses as set out below, by no later than 10:00 on Monday, 18 November 2019, stating that they wish to participate via electronic communication at the General Meeting (“the electronic notice”). Any reference to “Shareholder” in this paragraph includes a reference to that Shareholder’s proxy.

Note that Shareholders will merely be able to participate, but not vote, via electronic communication. In order for the electronic notice to be valid it must contain:

- (a) if the Shareholder is an individual, a certified copy of his/her identity document and/or passport;
- (b) if the Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution and the relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and
- (c) a valid email address and/or facsimile number (the contact address/number).

By no later than 48 hours prior to the time of the General Meeting, the Company shall use its reasonable endeavours to communicate with each Shareholder who has delivered a valid electronic notice, by notifying such Shareholder at its contact address/number of the relevant details through which the Shareholder can participate via electronic communication.

The Company reserves the right not to provide for electronic participation at the General Meeting in the event that it proves not practical to do so. The costs of accessing any means of electronic participation shall be for the Shareholder.

## **VOTING AND PROXIES**

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. For the convenience of registered members of the Company, a form of proxy is enclosed herewith.

The attached form of proxy is only to be completed by those Shareholders who:

- hold Accéntuate Shares in certificated form; or
- are recorded on the electronic Sub-register in “own name” dematerialised form.

Shareholders who have dematerialised their shares through a CSDP or Broker without “own name” registration and who wish to attend the General Meeting, must instruct their CSDP or Broker to provide them with the relevant Letter of Representation to attend the General Meeting in person or by proxy and vote.

If they do not wish to attend in person or by proxy, they must provide the CSDP or Broker with their voting instructions in terms of the relevant Custody Agreement entered into between them and the CSDP or Broker.

Shareholders who hold Dematerialised Shares which are registered in their name or if they are the registered holder of Certificated Shares may attend the General Meeting in person, alternatively, they may appoint a proxy or proxies, who need not be a Shareholder of the Company to represent them at the General Meeting by completing the attached form of proxy in accordance with the instructions it contains. For administrative purposes, forms of proxy should be forwarded to reach the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at least 48 hours, excluding Saturdays, Sundays and South African public holidays, before the time of the General Meeting. Any form of proxy not delivered by this time may be handed to the Chairman of the General Meeting immediately before the appointed proxy exercises any of the Shareholder’s votes at the General Meeting.

Kindly note that meeting participants, which includes proxies, are required to provide reasonably satisfactory identification before being entitled to attend or participate in a Shareholders' meeting.

Forms of identification include valid identity documents, driver's licenses and passports. By order of the Board.

**Juba Statutory Services Proprietary Limited**

**Sirkien van Schalkwyk**

Company Secretary

Johannesburg

25 October 2019

**Registered office**

32 Steele Street

Steeledale

2197

(PO Box 1754, Alberton, 1450)

**Transfer Secretaries**

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Rosebank Towers

15 Biermann Avenue

Rosebank, 2196

(PO Box 61051, Sandton, 2107)





**ACCÉNTUATE LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 2004/029691/06)  
JSE Share code: ACE ISIN: ZAE000115986  
("Accentuate")

## FORM OF PROXY

For use only by Shareholders who:

- hold shares in certificated form ("Certificated Shareholders"); or
- have dematerialised their shares ("Dematerialised Shareholders") and are registered with "own-name" registration,

at the General Meeting of Shareholders of the Company to be held 10:00 on Friday, 22 November 2019 at Accentuate Business Park, 404 Southern Klipriviersberg Road, Steeledale, Johannesburg, and any adjournment thereof.

Dematerialised Shareholders holding shares other than with "own-name" registration, who wish to attend the General Meeting must inform their Central Securities Depository Participant ("CSDP") or Broker of their intention to attend the General Meeting and request their CSDP or Broker to issue them with the relevant Letter of Representation to attend the General Meeting in person or by proxy and vote. If they do not wish to attend the General Meeting in person or by proxy, they must provide their CSDP or Broker with their voting instructions in terms of the relevant Custody Agreement entered into between them and the CSDP or Broker. **These Shareholders must not use this form of proxy.**

I/We (full name/s in block letters)

of (address)

Telephone work ( )

Telephone home ( )

Cellphone number

Email address

being the holder/custodian of

**Ordinary Shares** in Accentuate Limited, hereby appoint (see note 1 overleaf):

1. \_\_\_\_\_ or failing him/her

2. \_\_\_\_\_ or failing him/her

3. the Chairman of the General Meeting,

as my/our proxy to attend and speak for me/us and on my/our behalf at the General Meeting and at any adjournment thereof and to vote or abstain from voting as indicated on the resolutions to be considered at the General Meeting:

		Number of shares		
		In favour of	Against	Abstain
<b>Special Resolution Number 1</b>	Approval of the Specific Repurchase			
<b>Special Resolution Number 2</b>	Revocation of Special Resolution Number 1			
<b>Special Resolution Number 3</b>	Approval of the Subordinated Convertible Loan Agreements			
<b>Special Resolution Number 4</b>	Approval of the conversion of the loans			
<b>Ordinary Resolution Number 1</b>	To place unissued shares under the Directors' control			
<b>Ordinary Resolution Number 2</b>	General authority granted to Directors			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the General Meeting may appoint one or more proxies to attend and act in his/her stead. A proxy so appointed need not be a member of the Company.

Signed at

on

2019

Signature

Assisted by (where applicable)

Each Shareholder is entitled to appoint one or more proxies (who need not be a Shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.

## NOTES TO PROXY

### 1. Summary of Rights Contained in Section 58 of the Companies Act

#### In terms of section 58 of the Companies Act:

- a Shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Shareholder) as a proxy to participate in, and speak and vote at, a Shareholders meeting on behalf of such Shareholder;
  - a proxy may delegate her or his authority to act on behalf of a Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
  - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person in the exercise of any of such Shareholder's rights as a Shareholder;
  - any appointment by a Shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
  - if an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the Company; and
  - a proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 7).
2. The form of proxy must only be used by Shareholders who hold shares in certificated form or who are recorded on the Sub- register in electronic form in "own name".
3. All other beneficial owners who have dematerialised their shares through a CSDP or Broker and wish to attend the General Meeting must provide the CSDP or Broker with their voting instructions in terms of the relevant Custody Agreement entered into between them and the CSDP or Broker.
4. A Shareholder entitled to attend and vote at the General Meeting may insert the name of a proxy or the names of two alternate proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairman of the General Meeting". The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
5. A Shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each Ordinary Share held. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the Shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or the proxy is not obliged to use all the votes exercisable by the Shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or the proxy.
6. A vote given in terms of an instrument of proxy shall be valid in relation to the General Meeting, notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the Transfer Secretaries not less than 48 (forty-eight) hours before the commencement of the General Meeting.
7. If a Shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
8. The Chairman of the General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
9. A Shareholder's authorisation to the proxy including the Chairman of the General Meeting, to vote on such Shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the General Meeting.
10. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
11. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's Transfer Secretaries or is waived by the Chairman of the General Meeting.
12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Transfer Secretaries of the Company.
13. Where there are joint holders of shares:
- any one holder may sign the form of proxy;
  - the vote(s) of the senior Shareholders (for that purpose seniority will be determined by the order in which the names of Shareholders appear in the Company's register of ordinary Shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s).
14. Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

#### Hand deliveries to:

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
2196

#### Postal deliveries to:

Computershare Investor Services Proprietary Limited  
PO Box 61051  
Marshalltown  
2107

to be received by no later than 10:00 on Wednesday, 20 November 2019 (or 48 (forty-eight) hours before any adjournment of the General Meeting which date, if necessary, will be notified on SENS) or may be handed to the Chairman of the meeting immediately before the appointed proxy exercises any of the Shareholder's votes at the General Meeting.

A deletion of any printed matter and the completion of any blank space need not be signed or initialed. Any alteration or correction must be signed and not merely initialed.

